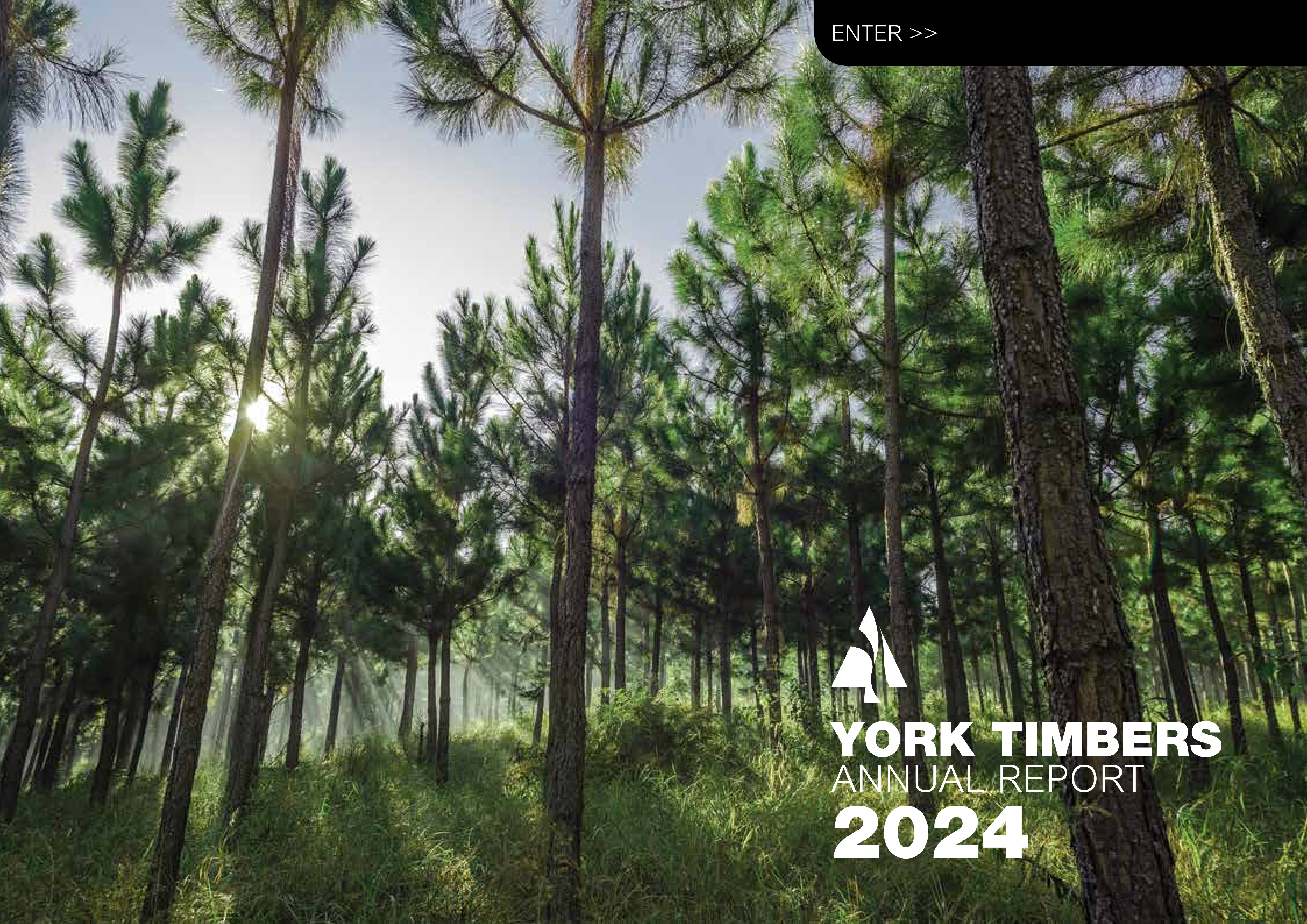

YORK TIMBERS
ANNUAL REPORT
2024

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CORPORATE GOVERNANCE

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

YOUR GUIDE

These icons serve as a guide for further information:

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

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

ABOUT THIS REPORT

This annual report is compiled and presented in accordance with:

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

In the section About York Timbers, we introduce York Timber Holdings Limited (York, York Timbers, the Company or the Group), how we create value, what we offer, our eight-year financial overview and the risks and opportunities arising from our operating environment.

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

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

MATERIALITY

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

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FORWARD-LOOKING STATEMENTS

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

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

ASSURANCE

Deloitte & Touche, our external auditor, audited the consolidated and separate annual financial statements and issued an unmodified audit opinion thereon.

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

The Group's broad-based black economic empowerment (B-BBEE) rating and scorecard has been verified by an accredited rating agency, Moore Infinity.

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

RESPONSIBILITY FOR THIS ANNUAL REPORT

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

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

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

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

Nonzukiso Siyotula
Chairperson

Gabriël Stoltz
Chief Executive Officer (CEO)

16 October 2024

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

ABOUT YORK TIMBERS

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

WHAT WE OFFER

Timber is a versatile and sustainable resource with numerous benefits. It is carbon-positive, supports rural development and is both structurally and architecturally appealing. As consumers increasingly commit to using more timber for housing, furniture, doors, frames, decking and other innovative applications, the demand continues to grow.

Our plywood is proudly South African National Standards (SANS) 929 certified and fully complies with the National Building Regulations and Standards, ensuring top quality and adherence to industry standards.

Mass timber construction, using advanced engineered wood products, is emerging as a sustainable and preferred alternative building method. We are committed to stimulating the growth of a sustainable, mass timber construction industry in South Africa using advanced engineered wood products from locally grown forest plantations.

HOW WE CREATE VALUE

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

York owns and manages extensive and sustainable, Forest Stewardship Council® certified (FSC-C002336) plantations, that supply raw material to its processing facilities. This is also supplemented from external sources.

York employs people with growth mindsets and leverages efficient technology and methods to deliver high-quality, value-added products and services to its customers.

York is dedicated to fostering strong community relationships, ensuring long-term benefits for the society and communities in which it operates.

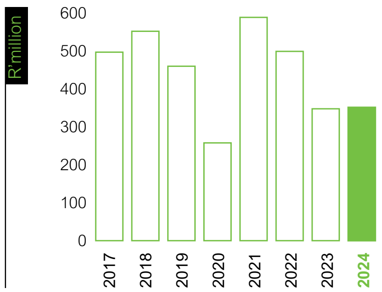
- Owns **sustainable plantations**;
- Employs **technologically advanced** forestry operations;
- Operates **efficient processing** plants;
- Values its **customers' needs**;
- Delivers **quality products** through a comprehensive distribution network; and
- **Fosters strong community relationships** for sustainable long-term benefits.

FINANCIAL OVERVIEW

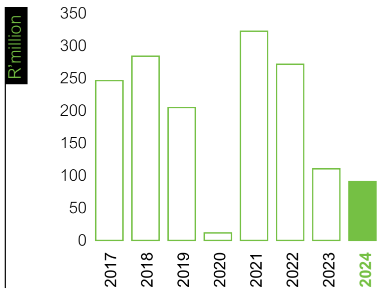
LONG-TERM VALUE CREATION REQUIRES CONSISTENT PERFORMANCE AND POSITIVE CASH GENERATION.

REVENUE

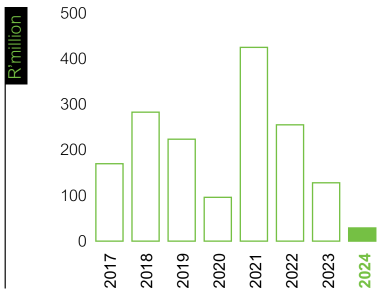
GROSS PROFIT
(Before fair value changes on biological assets)



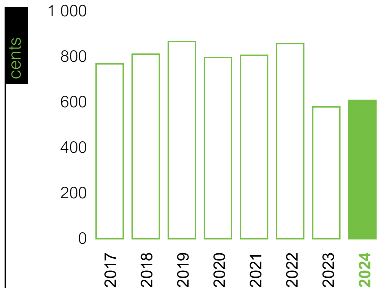
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)
(Before fair value changes on biological assets)



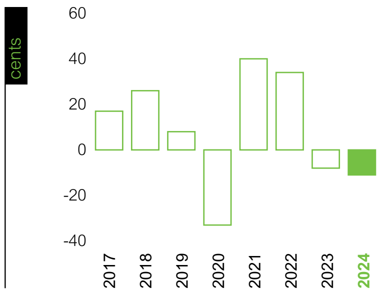
CASH GENERATED FROM OPERATIONS



TANGIBLE NET ASSET VALUE



CORE EARNINGS PER SHARE



Revenue
R1 745 MILLION 5% ↑
(2023: R1 666 million)

Gross profit (excluding fair value adjustment on biological assets)
R352 MILLION 1% ↑
(2023: R348 million)

Other operating expenses
R396 MILLION 7% ↑
(2023: R371 million)

Core loss per share
11 CENTS 34% ↓
(2023: core loss per share of 8 cents)

Net finance cost
R41 MILLION 28% ↑
(2023: R32 million)

Interest-bearing borrowings
R463 million 18% ↑
(2023: R394 million)

EIGHT-YEAR FINANCIAL REVIEW

		2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000	2017 R'000
Group revenue	R'000	**1 745 219**	1 666 294	1 838 810	1 928 589	1 438 825	1 600 522	1 812 350	1 832 805
Gross profit (before fair value adjustment on biological assets)	R'000	**351 782**	348 033	499 591	589 312	258 067	460 355	552 631	497 502
Gross profit margin	%	**20,2**	20,9	27,2	30,6	17,9	28,8	30,5	27,1
Operating profit/(loss) (before fair value adjustments)	R'000	**(27 339)**	(9 438)	158 137	219 480	(82 108)	(106 314)	196 045	151 369
Operating margin	%	**(1,6)**	(0,6)	8,6	11,4	(5,7)	(6,6)	10,8	8,3
EBITDA[1]	R'000	**90 605**	110 257	271 292	322 099	11 646	204 668	283 666	246 101
EBITDA[1] to revenue	%	**5,2**	6,6	14,8	16,7	0,8	12,8	15,7	13,4
Profit/(loss) before finance cost	R'000	**244 157**	(378 850)	253 957	243 540	(238 392)	106 856	272 271	599 038
Finance costs	R'000	**58 247**	47 109	37 484	48 447	61 049	77 537	84 325	88 595
Cash flow from operations	R'000	**28 369**	128 102	255 387	425 446	96 191	223 822	283 173	169 979
Biological assets	R'000	**2 825 141**	2 536 265	2 881 636	2 738 600	2 906 890	3 154 557	2 918 550	2 828 518
Interest-bearing borrowings	R'000	**463 410**	393 677	419 914	551 641	583 898	683 436	804 595	912 302
Investment in property, plant and equipment	R'000	**144 900**	61 063	88 701	82 096	42 085	81 170	64 680	154 258
Net working capital	R'000	**204 786**	128 726	141 542	117 161	159 218	161 517	230 155	245 991
Basic earnings	R'000	**136 072**	(312 864)	182 755	137 069	(217 637)	(36 268)	138 280	367 286
Weighted average number of shares	Number	**463 753**	404 077	343 963	317 080	318 873	317 439	316 874	317 209
Earnings/(loss) per share	Cents	**29**	(77)	53	43	(69)	(11)	44	116
Core (loss)/earnings per share	Cents	**(11)**	(8)	34	40	(33)	8	26	17
Headline earnings/(loss) per share	Cents	**30**	(76)	53	42	(70)	50	45	116
EBITDA[1] per share	Cents	**20**	27	79	102	4	64	90	78
Net asset value per share	Cents	**608**	579	857	806	912	980	990	943
Tangible net asset value per share	Cents	**608**	579	857	806	796	866	811	768
Return on equity	%	**4,8**	(11,7)	6,6	5,4	(7,6)	(1,2)	4,4	12,3
Total cost	R'000	**1 772 558**	1 675 733	1 680 673	1 709 109	1 520 933	1 499 024	1 616 305	1 681 436
External log purchases	R'000	**283 088**	240 582	258 046	247 834	230 986	261 728	201 723	269 982
Cost excluding log purchases	R'000	**1 489 470**	1 435 150	1 422 627	1 461 275	1 289 947	1 237 296	1 414 582	1 411 454
Cost as % of revenue	%	**85,3**	86,1	77,4	75,8	89,7	77,3	78,1	77,0

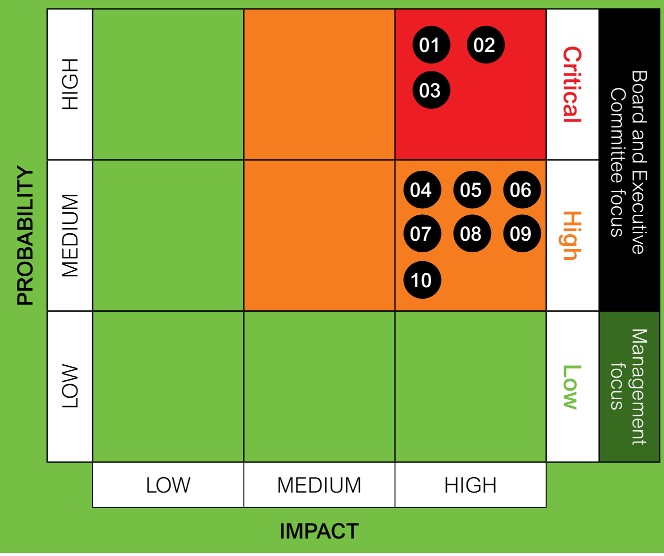
[1] *Earnings before interest, tax, depreciation, amortisation and fair value adjustment on biological assets.*

TOP 10 RISKS

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

The Board and management team continuously review the top corporate risks to ensure an appropriate understanding of our operating environment.

The residual risks facing York are reflected on this heat map:



The numbers on the heat map correspond to the risks discussed below and on pages 8 and 9.

YORK CONTINUALLY ASSESSES ITS MAJOR RISKS AND RESPONSES THERETO

High Medium Low

01 SABIE SAWMILL PRODUCTION TECHNOLOGY

Probability **Impact**

- The production method focuses on processing small diameter and shorter logs, optimising lumber through X-ray technology and finger jointing. However, this adds significant costs that are not recouped at current market prices.
- The South African Forestry Company Limited's (SAFCOL) artificially inflated pricing structure for these logs makes the process uneconomical with current technology and methods.
- Modern cutting technology requires substantial capital investment.
- Financial losses negatively affect overall Group performance.
- The mill's output is unpredictable due to prolonged underinvestment.

Mitigating strategies and opportunities arising

- Source raw materials at better prices from private growers and adjust the log specifications.
- Implement selective small-scale capital investment to sustain production at full capacity.

TOP 10 RISKS continued

High Medium Low

02 PLYWOOD MARKET

Probability: High | Impact: High

- Competition with uncertified products in the local market.
- Facing global competitors in the export market, some of whom benefit from subsidised operations.
- Exposure to foreign exchange fluctuations.

Mitigating strategies and opportunities arising

- Certification under SANS 929, meeting the requirements of the National Building Regulations and Standards.
- Entry into new export markets with higher profit margins.
- Our products are competitive with the highest quality in international markets.
- Regular assessment of product offerings and margins to ensure competitiveness.
- Focus on producing value-added products to enhance profitability.

03 FORESTRY BY-PRODUCTS

Probability: High | Impact: High

- Limited market demand for forestry by-products, including pulp, defect logs and processing by-products such as wood chips.

Mitigating strategies and opportunities arising

- Diversifying by selling volumes to alternative offtakers.
- Continuously exploring opportunities for further processing or exporting by-products to expand market reach.

04 ELECTRICITY COSTS

Probability: High | Impact: Medium

- Rising electricity costs.
- 24/7 operations reliant on consistent base load electricity supply.

Mitigating strategies and opportunities arising

- Exploring the use of biomass as an alternative energy source to reduce dependency on traditional electricity and mitigate rising costs.

05 HUMAN CAPITAL

Probability: Medium | Impact: High

- Challenges in retaining and recruiting critical skills.
- York staff are often targeted by competitors for recruitment.
- Shortage of experienced maintenance personnel and specialised skills.

Mitigating strategies and opportunities arising

- Implementation of a competitive remuneration policy with clear career path development.
- Utilising a mix of long- and short-term remuneration schemes to attract and retain talent.
- Actively recruiting to ensure that new hires align with York's values and culture.
- Offices opened in Mbombela to broaden the recruitment pool and exploring hybrid working models.
- Introduction of retention schemes for key critical positions.
- Launched a recruitment referral reward progamme to enhance the recruitment of scarce and critical skills and to incentivise employee referrals.

06 ILLEGAL MINING ACTIVITIES

Probability: High | Impact: Medium

- Illegal mining activities on our properties limiting access to key areas, causing damage to our plantations and equipment and devaluing our assets.
- Causing soil erosion, water contamination and overall environmental degradation.
- Potential fire risk, threatening our biological assets, local biodiversity and ecosystems.
- Endangers employees, contractors and local communities, disrupting livelihoods, damaging infrastructure, and contributing to increased crime in the area.
- Causing work stoppages and increased security costs.

Mitigating strategies and opportunities arising

- Implemented heightened security measures and engaged in local awareness campaigns to mitigate illegal mining activities.
- Actively involved in a forum of various affected stakeholders that is chaired by the South African Police Service (SAPS) and also the National Task Team "Vala Umgodi".
- Collaborate with various stakeholders to assist in mitigating and ultimately combating illegal mining activities.

07 LOG SUPPLY AND DELIVERY

Probability: Medium | Impact: High

- Dependency on SAFCOL.
- Rateability of log supply.
- SAFCOL failing to meet contractual obligations due to operational capacity constraints.

Mitigating strategies and opportunities arising

- Continuous engagement with SAFCOL executive management.
- Investments made on insourced mechanised operations that include the Escarpment to increase flexibility and the ability to better react to supply disruption.
- Managing SAFCOL supply by working together to improve control over the execution of their annual plan of operation.
- Harvesting of *Pinus taeda* to continue for the financial year 2025.
- Finalise procurement of plantations to bridge harvesting volume.
- Shortfalls and reliability of external sources.

TOP 10 RISKS continued

High Medium Low

08 FIRES

Probability: Medium | Impact: High

- Firefighting preparation and associated costs.
- Effectiveness of response.
- The risk of unpreparedness of fires on neigbouring properties.
- Contractor preparedness and suitable equipment.
- Escalating cost of aerial support and detection fees from third-party suppliers.
- Fuel load in plantations adds to higher fire risk.

Mitigating strategies and opportunities arising

- Further invest in self-insurance fund.
- Timeous preparation of all firebreaks.
- Specialised forestry security with a dog unit to patrol high-risk areas.
- Collaborative industry response.
- Focused programme for reduction of fuel load in plantations.
- Identification of high-risk areas, early detection and rapid initial attack.
- Under-canopy burning in appropriate high-risk areas.
- Regional risk mitigation through the newly formed Risk Management Resources NPC and the regional fire protection associations.
- Ensure detection technology is accurate and up to date.
- Combined response between neighbours in fighting fires.
- Interrogating costs of firefighting associations and cost benefit analysis.
- La Niña prospects in the 2024/2025 season.

09 YORK'S INVESTMENT PROPOSITION

Probability: Medium | Impact: High

- Unwillingness of the market to wait for the plantations to return to normality after the 2007/2008 fires (20-year growth cycle).
- Legacy acquisition debt impeding new capital projects.
- Negative perception of the Company among investor community.
- Investors not valuing York's "green" credentials and its contribution in carbon sequestration.

Mitigating strategies and opportunities arising

- Refinanced debt and focusing on reducing interest-bearing borrowings.
- Improve communication to shareholders on the intrinsic biological asset value as well as its age profile to manage expectations.
- Illustrating York's cash flow and forestry yield profile to manage shareholder expectations on returns.
- Dividend policy that will guide returns to shareholders once the Escarpment plantation returns to rotation.

10 COMMUNITY

Probability: Medium | Impact: High

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

Mitigating strategies and opportunities arising

- Active engagement with local and provincial governing bodies on service delivery.
- Appointment of a Stakeholder Engagement Officer.
- The management team communicates and engages directly with the community, trade unions and employees.
- Assisting the local municipality in service delivery and repairing infrastructure.
- Continue with various community upliftment projects.
- A number of community forums are in place to ensure better understanding and communication between various stakeholders.

CHAIRPERSON'S REPORT

NAVIGATING CHALLENGES, EMBRACING OPPORTUNITIES

INTRODUCTION

This year has been marked by significant challenges and opportunities, and I am proud of the resilience and strategic focus demonstrated by the Board, management and employees in navigating these complexities.

OPERATING ENVIRONMENT AND STRATEGIC RESPONSE

The global and local economic landscapes have remained volatile, influenced by fluctuating market conditions, ongoing economic pressures and the continued impact of climate change. Despite these challenges York has demonstrated remarkable resilience, underpinned by our commitment to sustainable practices, innovation and community engagement.

Our extensive, sustainable plantations have continued to provide the raw materials necessary for our operations, supported by additional external sources. This resource base, combined with our investment in advanced technologies and the skilled, growth-minded individuals within our team, has enabled us to maintain our position as a leader in the timber industry.

In response to the evolving market demands and the growing emphasis on sustainability, York is driving the development of advanced engineered wood products. We are positioning ourselves to play a leading role in the creation of a sustainable, timber-based built environment in South Africa.

YORK'S PERFORMANCE IN 2024

The year has presented ongoing challenges in terms of financial performance, particularly with cash flow and EBITDA. The management team has worked diligently to address these challenges through cost management initiatives and targeted capital expenditure investments. However, we recognise the need for continued focus on balancing operational costs and the strategic decisions around external log purchases.

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

- Revenue increased by 5% on the previous year;
- Successfully refinanced its debt with a repayment structure to reflect its sustainable plantations' yield profile;
- Improved plant efficiency and output by reacting to the market in identifying *Pinus taeda* for early clearfelling and investing in mechanised operations; and
- A biological assets increase of 11%.

CHANGES TO THE BOARD

The Board has remained stable throughout the financial year, with no changes to its composition.

Gabriël Stoltz continues to serve as CEO, following his appointment on 1 July 2022, and Schalk Barnard has continued in his role as CFO since his appointment on 1 May 2023.

The stability of our Board has been a key factor in navigating the complexities of the past year. The continuity in leadership has allowed York to stay focused on its strategic goals while adapting to the evolving economic landscape.

CHAIRPERSON'S REPORT continued

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

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

Refer to the Board members' abbreviated curricula vitae on **pages 15** and **16**.

OUTLOOK

As we look to the future, York is well-prepared to continue its journey of growth and innovation. Our focus on sustainable practices, community engagement and strategic investment in advanced timber technologies will remain central to our strategy. The Board is confident that York is positioned to capitalise on emerging opportunities while continuing to deliver value to all our stakeholders.

APPRECIATION

During these challenging times, I would like to express my deepest gratitude to York's shareholders and stakeholders. Your support and trust have been instrumental in York's continued success. It is your belief in our vision and your commitment that propels us forward, even when the road becomes arduous. We remain aware of the responsibilities that come with your investment, and we are committed to maximising shareholder value while maintaining transparency in all our operations.

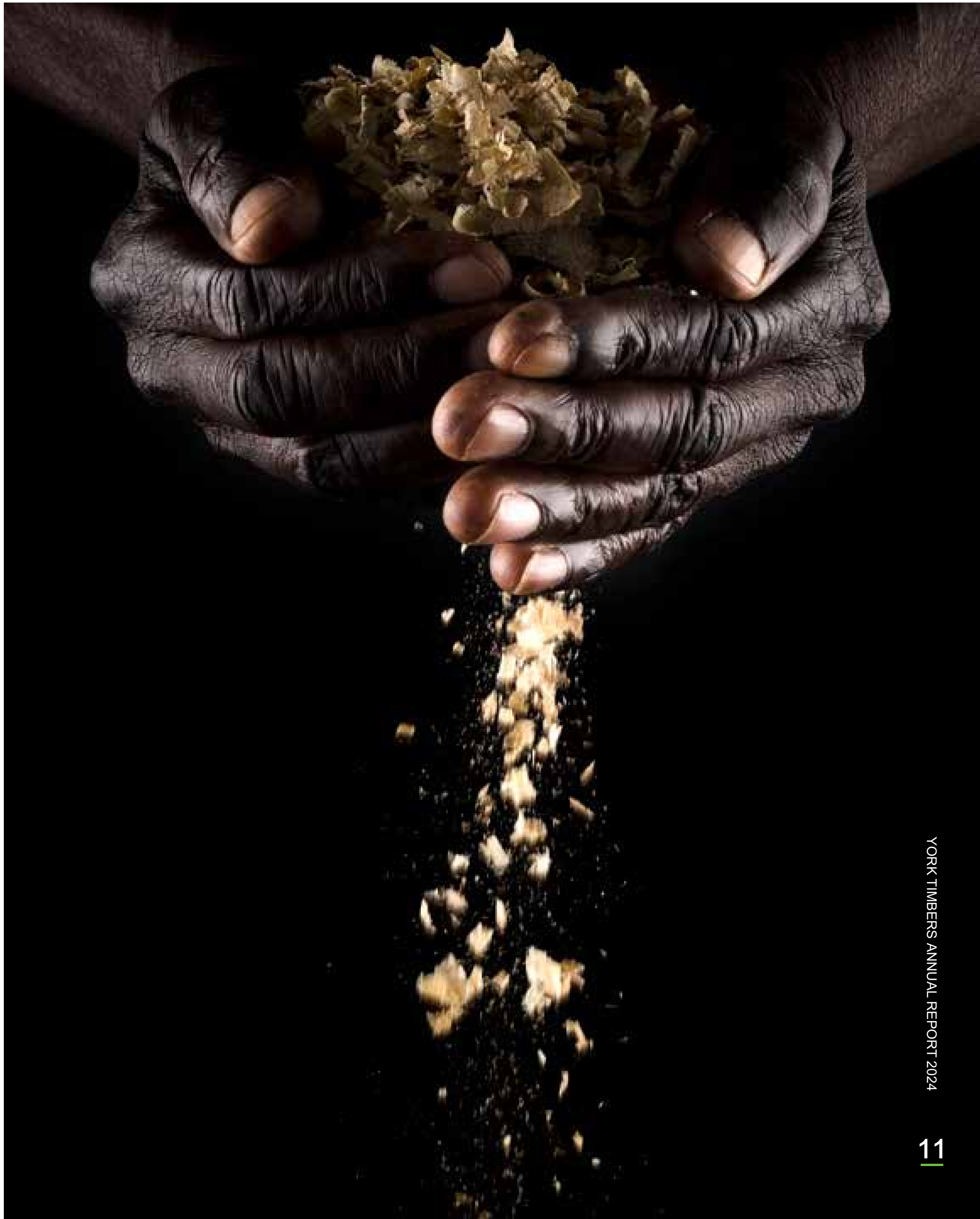
As we move into the new financial year, we will continue to invest in our people and focus on long-term sustainability. Our dedication to ethical business practices, innovation and the pursuit of excellence will remain at the core of our initiatives.

In closing, I would like to express my sincere gratitude to our customers, employees and partners for their support and trust in York. I also wish to extend my appreciation to my fellow Board members and the management team for their dedication and commitment to driving our shared vision forward.

We look forward to another year of growth, innovation and sustainable value creation.

Nonzukiso Siyotula
Chairperson

16 October 2024



CHIEF EXECUTIVE OFFICER'S REVIEW

DRIVING RESILIENCE AND STRATEGIC GROWTH

YORK'S PERFORMANCE IN 2024

The 2024 financial year tested York's resilience and our commitment to growing our trees to optimal maturity, a strategy that shareholders were informed would impact short-term profitability. Faced with economic pressures, including rising operational costs and stagnant market prices, York demonstrated resilience by implementing strategic initiatives that enhanced operational efficiency and positioned the Company for future growth. Although EBITDA performance was disappointing, these proactive measures and strategic investments have established a solid foundation for recovery and long-term sustainability. Our focus on cost management and operational efficiencies has been critical in mitigating the impact of external pressures.

TRADING ENVIRONMENT

Operating in an environment where lumber selling prices remained flat for the past three years while manufacturing costs rose above inflation, York experienced cash flow constraints. The margin squeeze experienced in the lumber industry was exacerbated by a 6,4% decline in plywood prices, amounting to a R34 million reduction in profit during the current year. York's production of plywood exceeds the local market demand, and we continue to service our export programme, albeit at lower margins.

Abandoning our strategy of delayed harvesting could have alleviated the cash flow pressures and generated better results for the year but would have compromised York's sustainability in the medium to long term. Through a targeted intervention – we reviewed our growing stock and increased the harvesting of *Pinus taeda* – a species not suitable for veneer production – we saw a recovery in the financial performance in the second half of the year. The change in harvesting plans accelerated York's mechanised operations in the Escarpment with the introduction of a John Deere harvester and forwarder. This system produces high volumes at significantly lower costs compared to outsourced harvesting.

OPERATIONAL HIGHLIGHTS

This year, York has continued to strengthen its operational capabilities.

We reviewed our operations, restructured sections within our head office and commenced restructuring proceedings at our Stadsrivier pallet manufacturing sawmill, Mbulwa Estate and our finger jointing operation at Roodekop drymill. These retrenchment costs have been accounted for in the reporting year's results.

Management changes were also made at operations that were underperforming and these changes are yielding positive results that will carry into the next financial year.

We have made significant progress in enhancing our production efficiency. We successfully implemented the 5S (sort, straighten, shine, standardise and sustain) principles as well as FMEA (failure mode and effects analysis) at York's Sabie operations. These efficiency improvements resulted in a 15% increase in production at Sabie sawmill and a 4% increase at our plywood plant, despite completing a major end-of-life replacement programme on the peeler.

However, notwithstanding these production gains, the lack of sales price growth and escalating manufacturing costs resulted in Sabie sawmill incurring an EBITDA loss of R22 million. Industry stock levels and depressed demand prevented York from recovering increased manufacturing costs through sales price growth. The formal lumber industry is under threat, with sawmills continuing to close. Log prices from SAFCOL continued to rise, misaligned with the market conditions its customers are facing.

The anticipated economic growth from a lower interest rate and inflation environment is expected to lead to a shortfall of lumber in the industry due to lost capacity over the past few years, which should aid selling prices.

CHIEF EXECUTIVE OFFICER'S REVIEW continued

Our commitment to sustainability is not just about compliance, it is about creating long-term value for all our stakeholders, including the communities in which we operate.

We have restructured our business and closed loss-making operations. Our Sabie sawmill plays a critical role in supplying biomass to generate steam at our plywood plant and processing smaller diameter logs that otherwise would be sold at much lower pulp prices. Although there is still a net positive contribution to the Group, this contribution has significantly eroded.

While we have responded to factors within management's control – unlocking harvesting volume through the *Pinus taeda* strategy, increasing production volumes throughout our Processing division, managing to keep fixed cost growth below inflation, improving our safety statistics, reducing our harvesting costs through insourced mechanised harvesting operations, refinancing our debt, protecting our plantations against fire damage and addressing our loss-making operations and overhead costs – the EBITDA result remains disappointing.

In conclusion, York's plywood has been proudly SANS 929 certified and fully complies with the requirements of the National Building Regulations and Standards, ensuring top quality and adherence to industry standards.

STRATEGIC INVESTMENTS

With the acquisition of the Pine-Valley Farms from Sappi Limited and specific standing timber plantations from Stevens Lumber Mills Proprietary Limited, we expect to significantly enhance our fibre security and reduce our dependency on external third-party log purchases. These acquisitions not only boost our operational capabilities but also align with our long-term goals of sustainable growth and diversification.

We have navigated the complexities of the plywood market, where international pricing pressures and local market stagnation have posed challenges. By exploring new markets, such as Australia and New Zealand and focusing on high-quality products that differentiate York from competitors, we are adapting to the evolving market conditions and maintaining our competitive edge.

SUSTAINABILITY AND COMMUNITY ENGAGEMENT

Our commitment to sustainability is not just about compliance, it is about creating long-term value for all our stakeholders, including the communities in which we operate.

Our engagement with local communities has been a highlight of the year. We have strengthened our relationships through various initiatives, including skills development programmes and community projects that support local economies. These efforts are integral to our vision of creating shared value and ensuring the long-term sustainability of our operations.

HUMAN CAPITAL AND TRANSFORMATION

Our people are at the heart of everything we do. This year, we made significant strides in aligning our workforce with York's strategic objectives. The restructuring of our Human Resources department and the focus on performance management have been key to driving a culture of accountability and excellence across the organisation.

I am also proud of the progress we have made in transformation. Achieving a B-BBEE Level 1 rating is a testament to our commitment to empowerment and inclusivity. We will continue to build on this momentum, ensuring that our workforce reflects the diversity of the communities we serve and that we remain an employer of choice in the industry.

OUTLOOK

As we look to the future, York is well positioned to capitalise on emerging opportunities. In the coming financial year, we anticipate the potential to increase selling prices and have identified several initiatives to reduce our raw material costs. The strong momentum gained over the last six months of the financial year is set to continue into the new year. Additionally, the restructuring and closure of loss-making operations are on track to be completed by the first quarter of the new financial year.

We will continue to invest in our people, our operations and our communities, ensuring that York remains resilient and positioned for long-term success.

GRATITUDE

I want to thank York's employees for their hard work, continued dedication and resilience displayed during the past financial year. I look forward to the year ahead and signs of economic recovery for our sector.

I would like to express my gratitude to our Board of Directors for their support and strategic guidance throughout this year, as well as providing management with the necessary resources to navigate these challenging market conditions.

Gabriël Stoltz
Chief Executive Officer

16 October 2024

02 CORPORATE GOVERNANCE

BOARD OF DIRECTORS

for the reporting period

- Exc — Executive Committee
- R&N — Remuneration and Nomination Committee
- A — Audit Committee
- R&O — Risk and Opportunity Committee
- S&E — Social and Ethics Committee

NONZUKISO SIYOTULA

R&N R&O

(BORN 1984)

CHAIRPERSON, INDEPENDENT NON-EXECUTIVE

Appointed: 21 June 2022

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

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

GABRIËL STOLTZ

Exc R&O S&E

(BORN 1978)

CHIEF EXECUTIVE OFFICER

Appointed to the Board on 1 December 2017 and as CEO on 1 July 2022

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

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

SCHALK BARNARD

Exc

(BORN 1974)

CHIEF FINANCIAL OFFICER

Appointed: 1 May 2023

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

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

His experience includes capital and debt raisings, business rationalisation projects, buy-side due diligence, initial public offerings and external audit. He was an assurance partner at PricewaterhouseCoopers Incorporated (PwC) from 2019 to 2023.

MAXWELL NYANTEH

A S&E

(BORN 1978)

LEAD INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

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

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

HETISANI MBANYELE

R&N S&E

(BORN 1980)

INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

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

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

ANDRIES BRINK

A R&O

(BORN 1958)

INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

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

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

BOARD OF DIRECTORS continued

- Exc — Executive Committee
- R&N — Remuneration and Nomination Committee
- A — Audit Committee
- R&O — Risk and Opportunity Committee
- S&E — Social and Ethics Committee

LINDANI DHLAMINI

R&N A R&O

(BORN 1973)

INDEPENDENT NON-EXECUTIVE

Appointed: 21 September 2021

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

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

ADRIAN ZETLER

A S&E

(BORN 1981)

NON-EXECUTIVE

Appointed: 1 September 2021, reappointed on 15 July 2022

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

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

ALTON SOLOMONS

R&O S&E

(BORN 1975)

NON-EXECUTIVE

Appointed: 15 July 2022

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

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

ANDRÉ VAN DER VEEN

R&N R&O

(BORN 1971)

NON-EXECUTIVE

Appointed: 11 November 2021

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

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

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

BOARD DIVERSITY

50% Black

30% Black female

30% Female

DIVERSITY OF AGE

80% 35 – 50 years

20% 51 – 65 years

INDEPENDENCE

50% Independent non-executive directors

30% Non-executive directors

20% Executive directors

CORPORATE GOVERNANCE

COMMITMENT TO ETHICAL AND EFFECTIVE LEADERSHIP

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

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

STATEMENT OF COMPLIANCE

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

APPLICATION OF KING IV™

The report adheres to the JSE Listings Requirements, incorporating mandatory practices from King IV™

The King IV™ application register is available at **https://www.york.co.za/read/corporate-governance/**

GOVERNANCE STRUCTURE

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

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

The roles of the independent non-executive Chairperson, the lead independent director as well as the CEO are separate and distinctly defined.

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

BOARD CHANGES

Directors are appointed in a formal and transparent manner. Each director is carefully identified by the Nomination Committee with the necessary skills, business experience, qualifications and ethical integrity to contribute effectively to the Company's strategy and performance.

The Board values diversity among its members and carefully considers candidates that bring varied perspectives and backgrounds, based on the recommendations of the Nomination Committee. The appointments of directors are ratified at the annual general meeting (AGM) of shareholders.

During the 2024 financial year, there were no changes to the Board's composition. The stability of our Board has been instrumental in maintaining a steady course through challenging times, allowing York to continue executing its strategy effectively.

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

DIRECTOR INDUCTION

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

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

DIRECTOR DEVELOPMENT

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

During March 2024, the directors visited York's Sabie operations including its mechanised harvesting operations. During the visit, directors had opportunities to interact with staff from various divisions ranging from junior to management levels.

Directors received training on amendments to the JSE Listings Requirements as well as B-BBEE training during the period under review.

CORPORATE GOVERNANCE continued

BOARD COMMITTEE COMPOSITION

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

BROAD DIVERSITY DISCLOSURE

York has adopted a formalised policy on the promotion of broad diversity at Board level, which is reflective of the process followed in appointing the Board. The voluntary target set for female representation on the Board has been set at 10% and a voluntary target for race diversity was set at 40%. Gender and race diversity targets remained at 30% and 50%, respectively, during the financial year.

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

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

EVALUATION OF THE PERFORMANCE OF THE BOARD

The process of performance evaluations is a critical aspect of governance that ensures the Board and its committees operate effectively. By conducting these evaluations internally, the Board demonstrates a commitment to self-assessment and continuous improvement.

The positive outcomes of the evaluations reflect the dedication and expertise of the members, contributing to the Board's overall performance and compliance with their defined roles and responsibilities. This practice not only enhances the Board's functionality but also reinforces the principles of transparency and accountability.

DIRECTORS' DISCLOSURES OF CONTRACTUAL INTERESTS

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

BOARD AND COMMITTEE MEETING FREQUENCY

Board committee membership, attendance and compliance with King IV™

Board and committee meeting attendance for the year under review:

	Director	Board	Audit Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Risk and Opportunity Committee
Independent	Maxwell Nyanteh	4/4	5/5		2/2	
Independent	Hetisani Mbanyele	4/4		2/2	2/2[1]	
Independent	Andries Brink	4/4	5/5[1]			2/2
Independent	Lindani Dhlamini	3/4	5/5	2/2		2/2[1]
Independent	Nonzukiso Siyotula	4/4[1]		2/2[1]		2/2
Non-executive	Adrian Zetler	4/4	5/5		2/2	
Non-executive	André Van der Veen	4/4		2/2[1]		2/2
Non-executive	Alton Solomons	3/4			2/2	2/2
Executive	Gabriël Stoltz	4/4	5/5[2]	2/2[2]	2/2	2/2
Executive	Schalk Barnard	4/4	5/5[2]	2/2[2]	2/2[2]	2/2[2]
Membership is in compliance with King IV™		Majority independent non-executive directors	All non-executive directors with the majority being independent	**Remuneration** All non-executive directors with the majority being independent **Nomination** All non-executive directors with the majority being independent	Executive and non-executive directors with the majority being non-executive	Executive and non-executive directors with the majority being non-executive
			Each committee comprises at least three members			

[1] *Chairperson during the period.* [2] *By invitation.*

CORPORATE GOVERNANCE continued

COMPANY SECRETARY

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

The Board confirms that the Company Secretary maintains an arm's-length relationship with the Board and the directors and is not a director of the Company. Based on the outcome of a formal assessment conducted by the Chairperson and CEO on the Company Secretary's performance and independence, the Board is of the opinion that the Company Secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company and is suitably independent of the Board to be an effective steward of the Company's corporate governance framework.

DEALINGS IN SECURITIES

The policy and rules mirror the provisions of the Financial Markets Act, 19 of 2012, and the JSE Listings Requirements and were drawn up in the spirit of good corporate governance.

In summary, the directors, prescribed officers and the Company Secretary are prohibited from trading in York securities during any prohibited period which includes any time when any of the directors are aware of unpublished price-sensitive information and/or if clearance to deal in securities has been refused.

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

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

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

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

Directors' shareholdings are detailed on **page 33**.

ORGANISATIONAL INTEGRITY AND CODE OF ETHICS

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

FAIR BUSINESS PRACTICES

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

GOING CONCERN

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

More detail is available in the Audit Committee report on **page 31**.

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

The Chairperson and Company Secretary hereby certify that, to the best of their knowledge, judgement and belief and after due and careful enquiry, the Company has complied, where applicable, with the JSE Listings Requirements, save for the information disclosed to the JSE by our JSE sponsor on 2 January 2024 relating to, *inter alia*, the late disclosure of dealings in the Company's securities.

Nonzukiso Siyotula
Chairperson

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

16 October 2024

SOCIAL AND ETHICS COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairperson: Hetisani Mbanyele

Other committee members:

Adrian Zetler, Max Nyanteh, Alton Solomons and Gabriël Stoltz

The Company Secretary of York acts as the Committee Secretary.

The committee's mandate is to monitor the Company's activities in compliance with relevant legislation, legal requirements and prevailing codes of best practice. This includes a focus on social and economic development, ethical conduct, environmental sustainability and the Company's approach to labour and employment. The committee also plays an important role in overseeing York's commitment to B-BBEE, community engagement and corporate social investment (CSI) projects.

FOCUS AREAS

B-BBEE and empowerment initiatives

During the reporting period, York reached a major milestone by achieving Level 1 B-BBEE status, underscoring its sustained dedication to transformation and empowerment throughout the Group. The Company maintained a strong focus on employment equity, particularly in the senior management and executive levels. Despite challenges related to a limited candidate pool in certain specialised fields, efforts to develop and upskill middle and senior management employees remain a priority.

Corporate social investment

The committee reviewed and supported the CSI project plan centred on education, health and welfare, entrepreneurial development, food security and environmental management. The plan was implemented in phases throughout the year.

The fire awareness programme at schools, a successful initiative from the previous year, was commended, with a recommendation to expand it to all areas where York has assets.

Employee wellness

The committee supports management's commitment to fostering a supportive and healthy work environment and placed strong emphasis on employee wellness initiatives over the past year. Recognising the important role that employee well-being plays in overall productivity and job satisfaction, several key programmes were introduced and expanded, targeting various aspects of physical, mental and emotional health.

Most notably, and in response to feedback from the York employee forums, the Company introduced a discounted bicycle purchase programme aimed at promoting a healthier and more sustainable mode of transportation for our employees. This initiative not only supports physical wellness but also offers financial and time-saving benefits. Employees were given the option to purchase bicycles at a discounted rate, with the flexibility of paying off the cost over a period. A total of 206 bicycles were ordered by employees, demonstrating the positive impact of this initiative on promoting a healthier and sustainable mode of transportation for our employees.

The programme has been met with enthusiastic participation, further reflecting York's commitment to improving the quality of life for its employees both inside and outside the workplace.

Labour relations

The committee monitored wage negotiations and other labour-related issues, ensuring that the Company's policies and practices align with best practices and legal requirements.

The established York employee forums continue to meet monthly, and these forums have proven to be highly effective in functioning as a first place of contact for employees to raise concerns or suggestions and improving consensus building and facilitating dispute resolution, reinforcing a culture of open communication and collaboration within the Company.

Ethics and compliance

The committee maintained its oversight of the Company's ethical practices and compliance with relevant regulations. The ethics line report was reviewed, and the committee noted the handling of reported incidents. The committee also oversaw the annual employee declarations of interest, ensuring transparency and addressing any potential conflicts.

Policies and governance

Several policies were reviewed and updated during the reporting period. Notably, the Company's new prevention of harassment in the workplace policy and recruitment selection and placement policy to prioritise the appointment of wage positions to residents from the local communities in which we operate in.

The committee's terms of reference were reviewed and recommended to the Board for approval, ensuring that the committee's activities remain aligned with its mandate and the overall governance framework of York.

Compliance declaration

The committee has fulfilled its mandate as prescribed by the Companies Regulations, with no instances of material non-compliance to disclose. The Board is satisfied that the committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Hetisani Mbanyele
Chairperson of the Social and Ethics Committee

16 October 2024

RISK AND OPPORTUNITY COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairperson: Lindani Dhlamini

Other committee members:

Nonzukiso Siyotula, Andries Brink, Gabriël Stoltz, André Van der Veen, and Alton Solomons

Certain members of senior management and Internal Audit attend the committee meetings by invitation.

The Company Secretary of York acts as the Committee Secretary.

The Risk and Opportunity Committee, composed of experienced and knowledgeable members, plays a vital role in overseeing the identification, assessment and management of risk factors that could impact York Timbers. Throughout the year, the committee actively reviewed York's risk management framework and strategies, evaluated emerging risks and provided recommendations for mitigating risks and capitalising on opportunities. The committee remains committed to continuous improvement, maintaining a proactive stance in addressing risks and seizing opportunities to create sustainable value for York's stakeholders.

IN RELATION TO RISK

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

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

During the reporting period, the committee focused on enhancing York's risk management processes, particularly by refining the enterprise priority risk register. The committee ensured that risks are assessed based on their residual impact after mitigating actions, providing a clearer understanding of the effectiveness of our strategies.

IN RELATION TO INFORMATION AND TECHNOLOGY

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

York's operations' increased reliance on digital infrastructure and the rapid evolution of technology, coupled with the rising sophistication of cyber threats, poses significant risks to the integrity, availability and confidentiality of York's data and information and technology systems. In ensuring that information and technology-related risks are managed effectively, the committee reviewed the security of the Company's technology and information mitigating measures that were implemented on different levels, being the physical security of the servers and firewalls, the digital security of the infrastructure, the backup/retention of information and the recovery from a disaster in such an event as well as cyber threat insurance. The risks that the Company faces by virtue of its use of technology and information, as well as the associated controls used to mitigate those risks, will continuously be assessed and placed in the management framework for technology and information.

FOCUS AREAS

Plant availability

One of the primary risks identified was plant availability and machine breakdowns. The committee monitored the progress made on the implementation of the FMEA (failure mode and effects analysis) and 5S programmes. These programmes contributed to an increase in production compared to the prior period.

The committee also approved and monitored the end-of-life component replacement work performed on the plywood peeler.

Sabie sawmill

The committee considered the viability and strategic importance of the Sabie sawmill. The mill is loss-making and alternatives were considered to reduce losses and return the mill to profitability. Although there is a positive contribution to the Group, this has been eroded due to decreasing margins. The situation is closely monitored and management actions are continuously evaluated to address the mill's viability.

Liquidity

The committee also closely monitored the financial risks associated with cash flow constraints. The build-up of inventory and significant payments to SAFCOL have put a strain on our working capital. In response, various financing options were explored.

RISK AND OPPORTUNITY COMMITTEE REPORT continued

The committee recommended that these financial issues be elevated to the Board for further discussion, as long-term solutions are necessary to address the underlying cash flow constraints.

Project oversight and strategic investments

The committee provided oversight for several key projects, including the acquisition of plantations from Stevens Lumber Mills Proprietary Limited and Sappi Limited. The acquisition of these plantations is expected to significantly reduce York's dependency on external log purchases in the short to medium term, contributing positively to the Company's liquidity position and long-term sustainability.

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

The committee approved the purchase of a mechanised harvesting system comprising a John Deere forwarder and harvester, as part of the insourcing of harvesting capacity in the Escarpment and to enable the execution of the *Pinus taeda* clearfell strategy.

Legal matters

The committee also monitored legal and compliance matters, particularly those related to land claims and the challenges posed by illegal mining activities. These issues have significant implications for York's operations, and the committee worked closely with management to ensure they are managed effectively.

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

Lindani Dhlamini
Chairperson of the Risk and Opportunity Committee

16 October 2024

REMUNERATION AND NOMINATION COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairpersons: André Van der Veen (Remuneration)
Nonzukiso Siyotula (Nomination)

Other committee members:
Hetisani Mbanyele and Lindani Dhlamini

Invitees: Adrian Zetler, Gabriël Stoltz and Schalk Barnard

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

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

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

FOCUS AREAS

Nomination Committee

During the reporting period, there were no changes to the Board's composition. The Nomination Committee confirmed that the current Board structure is well-balanced in terms of skills, experience, diversity and independence.

The committee remains committed to promoting broader diversity at the Board level and ensuring that York's leadership is equipped to guide the Company through future challenges and opportunities.

The Nomination Committee is satisfied that the composition of the Board enables the Board to properly and collectively perform its duties to meet its responsibilities during the 2024 financial reporting period.

Remuneration Committee

During the reporting period, the committee refined York's remuneration structures to better align with the Company's strategic goals and the broader economic environment. This included reviewing the wage and salary adjustments across the organisation. The committee considered a number of factors in determining annual increases based on the underlying principle of fair and responsible remuneration for all employees. Increasing inflation rates and higher energy and fuel costs have led to a cost-of-living crisis – putting additional pressure on remuneration adjustments.

The committee reviewed the wage and salary adjustments across the organisation, with increases ranging from 3,5% to 7% for salaried employees and 6,5% for the wage bargaining unit.

Short-term incentive schemes

It was important for Remco to implement long-term incentive (LTI) and short-term incentive (STI) schemes for executives that better align with shareholder return and the Group's cash flow requirements.

The formulation of the LTI and STI was communicated to shareholders on the Stock Exchange News Service on 7 November 2022.

The STI scheme aims to reward senior employee with very specific outcomes as detailed in York's 10-year plan. The fundamental changes to the format of the STI scheme for the 2022/23 financial year were to increase the CEO's percentage of STI earned on the achievement of EBITDA to 75% and to ensure that operational managers earn their STIs based on the areas of the Group that they manage. In this regard, the processing management have had their STI targets adjusted to reflect operational efficiency and volume targets that more closely align with plant capacities, rather than historical performance.

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

The executive team's individual targets are determined by the CEO and the next tier below is developed in conjunction with the respective divisional heads to ensure alignment with business unit objectives and the individual's sphere of influence. The participant must achieve a minimum individual performance score, which is moderated by the divisional head. The EBITDA target is derived by utilising EBITDA as reported and adjusting for non-trading items (as defined in the SAICA Circular 01/2021) that are typically added back to earnings before interest and taxation (EBIT) in deriving headline earnings and include such items as asset impairments, loss on sale of property or equipment and items that may be deducted from EBIT. Restructuring costs and adjustments for rationalisation decisions are, therefore, included in this EBITDA target. The B-BBEE factor is to be applied to all employees that have any influence on B-BBEE scoring aspects. The impact of B-BBEE will not be a qualifying factor of incentive earning for achievement, but rather serves as a "disqualifier" that reduces the maximum bonus otherwise earned by a significant percentage. The maximum reduction for not achieving the B-BBEE target is 25% of the incentive earned for key staff members in any particular year. The introduction of an LTI in the form of a deferred cash bonus scheme

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

for certain key employees is easier to manage with a greater degree of predictability and still entrenching values aligned with shareholder priorities. The scheme relies on the same specific performance criteria defined each year for the STI scheme to determine contributions to the scheme.

Long-term incentive scheme

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

- A participating employee's total cost to company (TCTC) is used as the basis for the calculation of the individual bonusable amount (IBA). The CEO and CFO will have an IBA of 3 times their TCTC, with the balance of the participating employees having multiples of 2,5 and lower. The participating employee's multiple is approved by Remco where several factors including seniority, specialised skill and role in the organisation are considered;
- Each annual contribution to the LTI scheme is calculated by multiplying one-third of the employee's bonusable amount by the STI achievement factor in a year;
- The contribution to the LTI scheme is to be drawn down on a rolling basis with the first drawdown at the end of year three. The first available drawdown at the end of year three will be determined by the participants' performance in year one, using the same criteria as specified in the STI for year one;
- Employees will have the option to increase the value of the contribution to the scheme by 25% if they, rather than electing a cash option for the annual contribution on the drawdown date, elect to use the annual contribution to purchase ordinary shares in York (shares). The election must be made on the date that the annual contribution is determined for the participating employee;
- If the employee elects to purchase shares, the Company will make a loan to the individual to purchase shares, and the shares will be ceded to the Company as security for the loan. The employee will be responsible for the full outstanding loan value regardless of the value of the shares on the repayment date. The loan repayment date will be aligned with the annual contribution drawdown date;
- If the employee leaves employment before the drawdown date, the annual contributions are forfeited and if the employee elected to purchase shares under the LTI share purchase option, the Company has the right to repurchase the shares, subject to the JSE Listings Requirements, at the outstanding balance of the loan;
- Each employee will have a maximum share conversion percentage, with the CEO and CFO having the right to convert 100% of their annual contribution and senior management 75%; and
- Other participating employees may have lower percentages as determined by Remco.

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

The LTI scheme commenced in June 2023.

Changes to the existing LTI policy were also made during the period under review, with a focus on clear methodology and predictability. The policy was implemented and communicated to eligible participants. The committee approved the revised LTI policy, which is structured to ensure alignment with York's long-term strategic goals and shareholder interests.

A significant focus was placed on ensuring that the performance management system accurately reflects employee contributions and aligns with the Company's financial performance. The performance management process was refined and succession planning for key roles within the Group monitored by the committee.

REMUNERATION POLICY AND IMPLEMENTATION REPORT

Background statement

Remco is mandated by the Board to establish a remuneration policy that promotes the achievement of York's strategic objectives and encourages performance, while aligning with shareholder interests. The committee considered a number of factors in determining annual increases based on the underlying principle of fair and responsible remuneration for all employees, taking into consideration individual performance assessments.

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

At York's 2023 AGM, less than 25% of shareholders voted against the Company's remuneration policy and implementation report. As a result, there was no need to invite dissenting shareholders for engagement on these matters.

Overview of the remuneration policy

The Company's remuneration policy is designed to reflect the complexity of roles, responsibilities, skillsets required and the number of employees reporting to each role. The Paterson grading system is used to determine job grade, title and remuneration levels. This system ensures that York remains competitive within the industry by benchmarking against industry norms. York aims to remunerate at the median to top quartile of the industry to attract and retain talented staff.

The goal of the remuneration policy is to align employee rewards with the Company's strategic, financial and operational objectives, ensuring alignment with shareholder interests. This is vital for attracting, developing and retaining top talent and technical skills. There are no provisions in executive employment contracts that could trigger payments on termination, except in relation to specific LTI and STI awards, under certain circumstances.

IMPLEMENTATION REPORT

Guaranteed remuneration

York's remuneration policy ensures that all employees are fairly compensated for their contributions to the Company's operational and financial performance. Guaranteed remuneration packages are benchmarked and assessed annually to maintain competitiveness within the industry.

Guaranteed remuneration includes an employee's fixed salary, excluding additional benefits incorporated into the employee's cost-to-company calculation such as medical aid and pension and/or provident fund benefits.

Benefits

York provides employees with a variety of benefits that go beyond guaranteed remuneration, including:

- Short-term incentives;
- Long-term incentives;
- Variable remuneration (13th cheque) ;
- Benefits and allowances of a compulsory and non-compulsory nature appropriate to the market contributing to the well-being of employees;
- Employee wellness initiatives promoting work-life balance;
- A challenging and dynamic work environment that encourages professionalism;
- A participative management structure; and
- A performance-driven culture, supported by a growth mindset.

These benefits are integral to the Company's strategy of retaining talent and incentivising performance, thereby contributing to the development and success of York's operations.

Short-term and long-term incentive schemes (schemes)

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

Measuring executive performance

The results for the year ended 30 June 2024 are measured against the set 2024 performance targets. The applicable weighting was applied to the categories achieved. The performance targets for the CEO are set out in the category of EBITDA 75% weighting with the balance detailed as follows.

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

CEO key performance indicators

75% weighting – EBITDA achievements
25% weighting – other key performance indicators

Although the other key operational performance indicators were achieved, the EBITDA target was not achieved.

The CFO has a minimum guaranteed STI for the first two years of his employment; R1 million in the first year and R750 000 in the second year.

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

Performance targets for 2024

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

Payments to executive directors in respect of the 2024 financial year

	Basic salary R'000	Other cash benefits R'000	Bonus R'000	Total R'000
2024				
GCD Stoltz	**3 774**	**293**	**–**	**4 067**
PS Barnard	**2 932**	**468**	**896**	**4 296**
Total	**6 706**	**761**	**896**	**8 363**
2023				
GCD Stoltz	4 087	392	–	4 479
PS Barnard	490	226	–	716
Total	4 577	618	–	5 195

Non-executive directors

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

At the AGM of shareholders held on 23 November 2023, it was approved that the non-executive directors' fees (save for the Chairperson of the Board's fees) for the period January 2024 onwards be increased by applying a 6% increase.

Non-executive directors' fees paid for the 2023 and 2024 financial years

Non-executive directors	2024 R'000	2023 R'000
AW Brink	**474**	663
L Dhlamini	**496**	644
HM Mbanyele	**404**	571
N Siyotula	**955**	1 563
AJ Solomons[1]	**293**	434
KM Nyanteh	**556**	710
A Van der Veen[1]	**404**	546
A Zetler[1]	**378**	470
Dr AP Jammine[1, 2]	**–**	265
Total	**3 960**	5 866

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

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

The Board and Board committee fee structure consists of an annual retainer and a fee per meeting. Remco considered non-executive director fees for the period 1 January 2025 onwards and proposed an increase of 5,5% on the approved non-executive director fees for January 2024 onwards, which is in line with the Company's salary and wage increase for the financial year ended 30 June 2024. The proposed fees, as set out below, are included in the notice of AGM for payment on a quarterly basis.

	Proposed remuneration for the period from 1 January 2025 onwards (annual fee and meeting fees paid quarterly in arrears)	
	Annual retainer R	**Fee per meeting R**
Chairperson of the Board	**456 815**	93 055
Lead independent director	**297 049**	28 598
Board members	**116 992**	23 832
Chairpersons of Board committees	**102 891**	26 200
Board committee members	**55 653**	14 171

The annual scheduled meetings for the Board and Audit Committee are four meetings each. The Remuneration and Nomination Committee, the Risk and Opportunity Committee and the Social and Ethics Committee have two annual scheduled meetings. If additional meetings are required and held by the Board and/or other Board committees, the Chairperson and Board/committee members will be paid a fee per meeting as set out above.

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

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

André Van der Veen
Chairperson of the Remuneration Committee

Nonzukiso Siyotula
Chairperson of the Nomination Committee

16 October 2024

03 ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES AND APPROVAL

LEVEL OF ASSURANCE

These consolidated and separate annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008, (Companies Act) and the JSE Limited (JSE) Listings Requirements.

PREPARER

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

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

27 September 2024

The directors are required by the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated and separate annual financial statements and related financial information included in this report. These audited consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and it is the responsibility of the directors to ensure that the audited consolidated and separate annual financial statements satisfy the financial reporting standards with regard to form and content and present fairly the consolidated and separate statement of financial position, changes in equity, results of operations and cash flows of the Group and Company, and explain the transactions and financial position of the business of the Group and Company at the end of the financial year. The audited consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the Group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the audited consolidated and separate annual financial statements. Based on forecasts and available cash resources, the directors have no reason to believe that the Group will not be a going concern in the foreseeable future. The audited consolidated and separate annual financial statements support the viability of the Group.

The consolidated and separate annual financial statements have been audited by the independent auditing firm, Deloitte & Touche, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the directors and Board committees. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on **pages 35** to **37**.

The audited consolidated and separate annual financial statements set out on **pages 38** to **82** which have been prepared on the going concern basis, were approved by the directors and were signed on 27 September 2024 on their behalf by:

Nonzukiso Siyotula
Chairperson

Gabriël Stoltz
Chief Executive Officer (CEO)

COMPANY SECRETARY'S CERTIFICATE

In terms of section 88(2)(e) of the Companies Act, I certify that to the best of my knowledge and belief, that York Timber Holdings Limited and its subsidiaries have lodged all returns required in terms of the Companies Act with the Registrar of Companies for the financial year ended 30 June 2024 and that the returns are true, correct and up to date.

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

27 September 2024

RESPONSIBILITY STATEMENT BY THE EXECUTIVE DIRECTORS

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

- the audited consolidated and separate annual financial statements set out on **pages 38** to **82** fairly present in all material respects the financial position, financial performance and cash flows of the Group and Company in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the audited consolidated and separate annual financial statements false or misleading;
- internal financial controls has been put in place to ensure that material information relating to the Group and Company have been provided to effectively prepare the audited consolidated and separate annual financial statements of York;
- the internal financial controls are adequate and effective and can be relied upon in compiling the audited consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Gabriël Stoltz
Chief Executive Officer

Schalk Barnard
Chief Financial Officer

27 September 2024

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 30 June 2024.

AUDIT COMMITTEE TERMS OF REFERENCE

The Group's Audit Committee has adopted formal terms of reference, delegated to it by the Board of Directors (Board), as its mandate. The mandate is in line with the Companies Act , the King IV Report on Corporate Goverance for South Africa, 2026™ (King IV™) and the JSE Listings Requirements. During the year, the Audit Committee discharged the functions delegated to it in its mandate.

The Audit Committee performed the following statutory and regulatory duties:

- Reviewed and recommended for adoption by the Board the publicly disclosed financial information which comprised the Group's consolidated interim results for the six months ended 31 December 2023 and the audited consolidated and separate annual financial statements for the year ended 30 June 2024;
- Satisfied itself that the external auditor, Deloitte & Touche, and its audit partner, complied with the suitability criteria for appointment as required by paragraph 3.84(g)(iii) read with paragraphs 3.86 and 3.87 of the JSE Listings Requirements, and is independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2024 financial year;
- Determined the nature and extent of agreed-upon procedures (non-audit services) provided by the external auditor and preapproved any proposed agreements with them for the provision of such services;
- Evaluated the performance of the Internal Audit function and resolved to continue to source the Internal Audit function from BDO and approved the internal audit plan and budgeted fee for the 2024 financial year;
- Reviewed the Audit Committee charter in line with the King IV™ recommendations;
- Held separate meetings with management and the external and internal auditors to discuss relevant matters;
- Noted that it had not received any substantiated complaints, from either within or outside the Group and Company, relating to the accounting practices, the internal audits, the content or auditing of the audited consolidated and separate annual financial statements, the internal financial controls or any other related matters. It has, however, adopted certain recommendations proposed by the JSE as part of their proactive monitoring of financial statements;
- Confirmed that a whistle-blowing facility was in place and considered the actions taken in regard to incident reports;
- Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the CFO, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements;
- Satisfied itself as to the expertise, resources and experience of the Group and Company's finance function;
- Considered the Group and Company's liquidity and solvency positions and satisfied itself that the adoption of the going concern basis by York Timber Holdings Limited in preparing the audited consolidated and separate annual financial statements was appropriate;
- Confirmed, with reference to reporting by management and the Internal Audit function, that the Group and Company had established appropriate financial reporting procedures and satisfied itself that those procedures were operating which includes consideration of all entities included in the Group's consolidated IFRS Accounting Standards financial statements, to ensure that it has access to all the financial information of the Group and Company to effectively prepare and report on the audited consolidated and separate annual financial statements of the Group and Company;
- Satisfied itself that the combined assurance provided is effective and monitors the relationship between external assurance providers and the Group and Company;
- Ensured that the appointment of the auditor and audit partner is presented and included as a resolution at the annual general meeting (AGM) of the Group and Company, pursuant to section 61(8) of the Companies Act; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditor, that the key audit matter relating to the valuation of biological assets for pine and eucalyptus trees has been presented fairly in the audited consolidated and separate annual financial statements.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In terms of section 94(2) of the Companies Act, the Audit Committee is a statutory committee, and in terms of the JSE Listings Requirements and King IV™, comprises at least three independent non-executive members, elected by the shareholders at each AGM. The members of the Audit Committee for the 2024 financial year were:

- **AW Brink** CA(SA) *(Independent non-executive, Audit Committee Chairman)*;
- **KM Nyanteh** CA(SA) *(Independent non-executive)*;
- **A Zetler** CA(SA) CFA Charterholder *(Non-executive)*; and
- **L Dhlamini** CA(SA) *(Independent non-executive)*.

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

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

The internal and external auditors have unlimited access to the Chairman of the Audit Committee. During the year under review, five meetings were held.

Name of director	14 Sep 2023	18 Sep 2023	1 Nov 2023	14 Mar 2024	6 Jun 2024
AW Brink *(Chairman)*	Yes	Yes	Yes	Yes	Yes
KM Nyanteh	Yes	Yes	Yes	Yes	Yes
L Dhlamini	Yes	Yes	Yes	Yes	Yes
A Zetler	Yes	Yes	Yes	Yes	Yes

INTERNAL CONTROLS

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

AUDIT COMMITTEE REPORT continued

The Internal Audit function performs independent evaluations of the adequacy and effectiveness of the Group's controls, financial reporting mechanisms, information systems and operations, and provides a degree of assurance regarding safeguarding of assets and the integrity of financial information.

Management continuously reviews the adequacy of the internal control environment and addresses any shortcomings identified, including those identified by external and internal audit processes.

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

The committee has noted the prior period errors in the Group financial statements, which had no impact on the earnings in the current and prior years. Management provided assurance that all shortcomings in internal control identified by Internal and External Audit have been and are in the process of being remediated. The committee has discussed and documented the basis for its conclusion, which includes discussions with the internal and external auditors as well as management.

The Audit Committee is of the view that the internal controls are designed and implemented effectively, and that management has taken appropriate steps to continue to address identified shortcomings.

RECOMMENDATION OF THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Based on the information provided to the Audit Committee by management, and considering the reports of the external and internal auditors, the Audit Committee is satisfied that the audited consolidated and separate annual financial statements comply, in all material respects, with the requirements of the Companies Act, IFRS Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. The audited consolidated and separate annual financial statements for the year ended 30 June 2024 were approved by the Board of Directors on 27 September 2024. These audited consolidated and separate annual financial statements will be open for discussion at the forthcoming AGM.

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

Andries Brink
Chairman of the Audit Committee

27 September 2024

DIRECTORS' REPORT

The directors present their report on the audited consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year ended 30 June 2024.

REVIEW OF ACTIVITIES

Main business and operations

York was incorporated in South Africa as an investment holding company. The activities of the Group are undertaken through its subsidiaries. The Group comprises the full forestry value chain as well as sawmilling operations and a plywood plant. The Group's sales channels target both wholesale and retail markets in South Africa, the Southern Africa Development Community (SADC) and other international markets. The Group also owns and operates an avocado, macadamia and citrus farm. The Group's operations are based in South Africa. There were no major changes herein during the year.

The Group continued to experience tough market conditions coupled with operational challenges at its processing plants. Increases in raw material and operational costs could not be absorbed by price increases in sales prices. The main contribution to the profit for the year was the increase in the biological asset value of R254,6 million.

The total consolidated comprehensive profit for the year was R136,3 million (2023: total consolidated comprehensive loss R313,3 million).

GOING CONCERN

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

The Group successfully refinanced its debt with Land Bank and Absa Capital (Stadsrivier Vallei Proprietary Limited) with a R350 million facility from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO). The Group is in compliance with the covenants imposed under the facility as at 30 June 2024 and is expected to be in compliance for the 2025 financial year based on the 2025 budget. Working capital facilities with Absa were renewed after year-end and both asset-backed financing facilities with Absa and Daimler remain in place.

The Group's strategy to increase the rotation period of its plantations has constrained the Group's liquidity. In the current year, R283 million was spent on external log purchases. The Group has the flexibility to harvest its own plantations instead of procuring logs externally to improve liquidity.

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

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

DIRECTORS' REPORT continued

EVENTS AFTER THE REPORTING DATE

Non-adjusting events

As announced to the market during the year, the Group entered into a sale and purchase agreement for the purchase of the Stevens Lumber plantations (Wolkberg and Schultz) for a total of R75 million.

As announced on the Stock Exchange News Service (SENS) on 21 August 2024, the purchase of the Wolkberg plantation was terminated due to the plantation being destroyed by a fire. However, the acquisition of the Schultz plantation for R41,3 million, that was part of the original acquisition, will go ahead subject to financing.

Working capital facilities with Absa Bank were renewed during September 2024, with an increase in the IMX facility from R150 million to R175 million. A R250 million guarantee was issued to Absa Bank by Stadsrivier Vallei Proprietary Limited as security.

DIRECTORS' SHAREHOLDING

As at 30 June 2024, the directors of the Company held direct beneficial interests in 0,21% (2023: 0,20%) and indirect beneficial interests in 43,08% (2023: 31,55%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholding between 30 June 2024 and the date of approval of the audited consolidated and separate annual financial statements.

	Number of shares		% shareholding	
Interest in shares	**2024**	**2023**	**2024**	**2023**
GCD Stoltz (direct interest)	**996 452**	924 888	**0,21**	0,20
A Zetler and A Van der Veen (represented by A2 Investment Partners Proprietary Limited, Peresec SA Nominees Proprietary Limited and Standard Bank Group Limited) (indirect interest)[1]	**204 259 975**	149 623 485	**43,08**	31,55
	205 256 427	150 548 373	**43,29**	31,75

[1] *55 726 355 shares are held through a contract for differences, which gives only economic beneficial interest in the underlying shares to A2 Investment Partners Proprietary Limited with no voting rights.*

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

AUTHORISED AND ISSUED SHARE CAPITAL

No changes were approved or made to the authorised or issued share capital of the Company during the year under review.

	R'000		Number of shares	
Issued	**2024**	**2023**	**2024**	**2023**
Ordinary shares	**1 773 427**	1 773 427	**474 097 739**	474 097 739

BORROWING LIMITATIONS

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

The Group is subject to externally imposed capital requirements in the form of a debt-EBITDA ratio requirement of below 5,5, in terms of the FMO loan facility (refer to notes 17 and 34).

DIVIDEND

No dividend was declared or paid to the shareholders during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this report are as follows:

Name	Office	Designation
PS Barnard	CFO	*Executive*
AW Brink		*Non-executive independent*
L Dhlamini		*Non-executive independent*
HM Mbanyele		*Non-executive independent*
KM Nyanteh		*Non-executive lead independent*
N Siyotula	Chairperson	*Non-executive independent*
AJ Solomons		*Non-executive*
GCD Stoltz	CEO	*Executive*
A Van der Veen		*Non-executive*
A Zetler		*Non-executive*

SECRETARY

The Group's designated secretary is Kilgetty Statutory Services (South Africa) Proprietary Limited.

Details of the Company Secretary are as follows:

Secretary's business address: 1st Floor, Building 33, Waterford Office Park, Waterford Drive, Fourways, 2191.

INTEREST IN SUBSIDIARIES

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

INDEPENDENT AUDITOR

Deloitte & Touche was reappointed as the independent auditor of York Timber Holdings Limited.

DIRECTORS' REPORT continued

SHAREHOLDER PROFILE

The shareholder profile as at 30 June 2024 was as follows:

Shareholder spread	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% number of shares
1 – 1 000	3 542	77,56	348 413	0,07
1 001 – 10 000	558	12,22	2 167 737	0,46
10 001 – 100 000	352	7,71	12 425 599	2,62
100 001 – 1 000 000	89	1,95	25 922 563	5,47
Over 1 000 000	26	0,56	433 233 427	91,38
Total	**4 567**	**100,00**	**474 097 739**	**100,00**

	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% number of shares
Collective investment schemes	8	0,18	36 414 953	7,68
Custodians	4	0,09	4 460 002	0,94
Foundations and charitable funds	12	0,26	622 981	0,13
Hedge funds	7	0,15	26 910 849	5,68
Investment partnerships	6	0,13	1 438 831	0,30
Managed funds	5	0,11	54 033 551	11,40
Private companies	91	2,00	56 605 433	11,94
Public companies	3	0,07	88 180	0,02
Public entities	1	0,02	95 136 513	20,07
Retail shareholders	4 354	95,34	38 442 248	8,11
Script lending	2	0,04	85 453 564	18,02
Share schemes	1	0,02	48 200	0,01
Stockbrokers and nominees	8	0,18	68 080 456	14,36
Trusts	64	1,40	6 360 557	1,34
Unclaimed scrip	1	0,01	1 421	0,00
Total	**4 567**	100,00	**474 097 739**	**100,00**

Shareholder type	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% number of shares
Non-public shareholders				
Directors and associates	5	0,11	205 256 427	43,29
Share schemes	1	0,02	48 200	0,01
Public shareholders	4 561	99,87	268 793 112	56,70
Total	**4 567**	**100,00**	**474 097 739**	**100,00**

Beneficial shareholders holding > 3% of issued shares

	Number of shares	% of issued shares
Industrial Development Corporation	95 136 513	20,07
Standard Bank Group Limited	56 268 117	11,87
A Zetler and A Van der Veen (represented by A2 Investment Partners Proprietary Limited)	52 746 570	11,13
Mr D Hayward	29 356 410	6,19
Peresec SA Nominees Proprietary Limited	96 714 728	20,40
Rozendal Partners	22 806 359	4,81
Total	**353 028 697**	**74,47**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of York Timber Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of York Timber Holdings Limited (the Group and Company) set out on **pages 38** to **82**, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of York Timber Holdings Limited as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

In terms of the IRBA Rule on Enhanced Auditor Reporting ("EAR") for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	R26 million (2023: R17 million)	R26 million (2023: R26 million)
How we determined it	Based on 1,5% (2023: 1,0%) of revenue	Based on 1,0% (2023: 1,0%) of net assets
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. For Group financial statement purposes, we determined that revenue remained the key benchmark given the fluctuations in profit before tax. Revenue provides a more stable benchmark. An increase of 0,5% in the input factor from that used in 2023 was determined to be appropriate based on supporting benchmarks used, such as total assets/total equities along with Group specific risk factors. For Company financial statements, we determined that net asset remained the key benchmark given that the entity serves as the investment holding company. The input factor remained consistent with that used in the prior year.	

GROUP AUDIT SCOPE

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organization of the group, and assessing the risks of material misstatement at the Group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

Based on our assessment, we performed work at the 7 trading components (2023: 7 components), representing the Group's most material operations.

The following audit scoping was applied:

- 5 components (2023: 5 components) were subject to a full scope audit;
- 1 component (2023: 2 components) was subject to specified balance procedures where the extent of our testing was based on our assessment of the risk of material misstatement of certain specific financial balances and/or processes and of the materiality of the Group's operations at those locations; and
- 1 component (2023: no component) was subject to group analytical procedures.

The 5 components subject to full scope audits account for 99.4% of the Group's assets (2023: 99,4%) and 99,8% of the Group's revenue (2023: 99,7%). The other components subject to specified balance procedures and group analytical procedures account for 0,6% of the Group's assets (2023: 0.6%) and 0,2% of the Group's revenue (2023: 0,3%).

INDEPENDENT AUDITOR'S REPORT continued

KEY AUDIT MATTERS

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

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	Our audit procedures to address the key audit matter were as follows:
Valuation of biological assets (timber plantation) The biological asset comprises pine and eucalyptus (timber plantation) as well as unharvested fruit. As disclosed in note 6 of the consolidated financial statements, the valuation of timber plantation included in the biological assets amounted to R2 814 million (2023: R2 529 million). The net fair value adjustment for the year ended 30 June 2024 amounted to an increase in profit of R250 million (2023: decrease in profit of R386 million). The timber plantation is measured at fair value less estimated costs to sell in accordance with IAS 41: Agriculture ('IAS 41') and IFRS 13 Fair value adjustment ("IFRS 13"). The fair value is determined using a discounted cash flow model. These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes.	Our audit procedures to address the key audit matter were as follows: • Assessed the design and tested implementation of both automated and manual controls in respect of the determination of inputs into the timber plantation fair value model as well as the application of the relevant IFRS considerations. • Testing the operating effectiveness of the controls relating to thinning, planting harvesting and enumerations which informs forecasted volumes. • Utilised internal valuation experts to test the logic of the biological asset model and the appropriateness of the discount rate used in the discounted cash flows. • Performed a retrospective review on prior years forecasted volumes to the actual volumes achieved for thinning's and harvesting. We further challenged management's use of theoretical thinning and harvesting volumes in the model against historical thinning's and harvestings. • Assessed the reasonableness of the assumptions contained within the fair value model relating to sales prices and operating costs. • We performed independent sensitivity analysis on the biological asset model for all key assumptions within the model. • We assessed the impact of the use of Light Detection and Ranging (LiDAR) on the forecasted volumes. • We assessed the reasonableness of the product classes of logs and the different species of plantation and the impact thereof on the forecasted volumes. • Assessed whether the disclosures in the consolidated financial statements in relation to the fair value of the biological assets and the disclosures relating to the estimation uncertainty are complete, appropriate and in compliance with IFRS 13 as disclosed in note 6.
As a result of the significant audit effort required to assess the judgements made by management with regards to the inputs into the discounted cash flows, the valuation of the timber plantation was considered a key audit matter in our audit of the consolidated financial statements.	Based on the procedures performed above, the inputs, assumptions and the related disclosure used in the timber valuation is appropriate in all material respects. Please refer to note 6 of the consolidated annual financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "York Timber Holdings Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the Companies Act of South Africa, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT continued

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of York Timber Holdings Limited for 2 years.

Signed by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor

Per: Logan Govender CA(SA); RA
Partner

27 September 2024

2 Vuna Close
Umhlanga Ridge
4319
South Africa

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2024

	Notes	GROUP 2024 R'000	GROUP Restated[1] 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**897 778**	878 819	**–**	–
Investment property		**13 884**	13 884	**–**	–
Intangible assets		**33**	128	**–**	–
Biological assets	6	**2 413 641**	2 216 402	**–**	–
Investments in subsidiaries	7	**–**	–	**1 262 207**	1 261 452
Deferred tax assets	8	**5 158**	9 991	**–**	–
Other financial assets at amortised cost[1]	9	**81 210**	78 132	**–**	–
Loan to Group company	10	**–**	–	**1 405 551**	1 411 971
Total non-current assets		**3 411 704**	3 197 356	**2 667 758**	2 673 423
Current assets					
Inventories	11	**314 875**	243 931	**–**	–
Trade and other receivables	12	**243 534**	230 056	**269**	184
Current tax assets		**2 668**	2 812	**2**	2
Biological assets	6	**411 500**	319 863	**–**	–
Other financial assets at amortised cost[1]	9	**51 348**	54 873	**–**	–
Cash and cash equivalents	13	**56 939**	191 916	**1**	1
Total current assets		**1 080 864**	1 043 451	**272**	187
Total assets		**4 492 568**	4 240 807	**2 668 030**	2 673 610

[1] *Refer to note 39 for details on the restatement.*

	Notes	GROUP 2024 R'000	GROUP Restated[1] 2023 R'000	COMPANY 2024 R'000	COMPANY 2023 R'000
EQUITY AND LIABILITIES					
Equity					
Share capital	14	**1 735 670**	1 735 670	**1 773 427**	1 773 427
Retained income		**1 064 997**	928 925	**889 674**	896 989
Reserves	15	**19 334**	18 336	**2 919**	2 164
Total equity		**2 820 001**	2 682 931	**2 666 020**	2 672 580
Liabilities					
Non-current liabilities					
Provisions	16	**6 778**	18 518	**–**	–
Deferred tax liabilities	8	**785 991**	741 122	**–**	–
Borrowings	17	**345 123**	237 375	**–**	–
Lease liabilities	18	**12 928**	21 925	**–**	–
Retirement benefit obligations	19	**23 526**	26 430	**–**	–
Total non-current liabilities		**1 174 346**	1 045 370	**–**	–
Current liabilities					
Provisions	16	**14 403**	2 656	**–**	–
Trade and other payables	20	**353 623**	345 271	**2 010**	1 030
Current tax liabilities		**–**	41	**–**	–
Borrowings	17	**118 287**	156 302	**–**	–
Lease liabilities	18	**8 996**	8 236	**–**	–
Retirement benefit obligations	19	**2 912**	–	**–**	–
Total current liabilities		**498 221**	512 506	**2 010**	1 030
Total liabilities		**1 672 567**	1 557 876	**2 010**	1 030
Total equity and liabilities		**4 492 568**	4 240 807	**2 668 030**	2 673 610

[1] *Refer to note 39 for details on the restatement.*

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

		GROUP		COMPANY	
	Notes	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue	22	**1 745 219**	1 666 294	**6 294**	6 404
Cost of sales[1]	23	**(1 138 803)**	(1 702 360)	**–**	–
Gross profit/(loss)		**606 416**	(36 066)	**6 294**	6 404
Other income	24	**16 047**	15 879	**–**	–
Other expenses	26	**(395 874)**	(370 345)	**(6 452)**	(8 907)
Other gains and (losses)	25	**706**	(3 005)	**–**	–
Profit/(loss) from operating activities		**227 295**	(393 537)	**(158)**	(2 503)
Finance income	27	**16 862**	14 687	**4**	2
Finance costs	28	**(58 247)**	(47 109)	**(7 161)**	(68 557)
Profit/(loss) before tax		**185 910**	(425 959)	**(7 315)**	(71 058)
Income tax (expense)/credit	29	**(49 838)**	113 095	**–**	(36)
Profit/(loss) for the year		**136 072**	(312 864)	**(7 315)**	(71 094)
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligation		**678**	(2 074)	**–**	–
Taxation related to remeasurement of retirement benefit obligation		**(435)**	1 339	**–**	–
Gains on property revaluation		**–**	334	**–**	–
Total other comprehensive income/(loss) that will not be reclassified to profit or loss		**243**	(401)	**–**	–
Total other comprehensive income/(loss) net of tax		**243**	(401)	**–**	–
Total comprehensive income		**136 315**	(313 265)	**(7 315)**	(71 094)
Earnings per share from continuing operations attributable to owners of the Parent during the year					
Basic earnings/(loss) per share (cents)	38	**29**	(77)	**(2)**	(17)
Diluted earnings/(loss) per share (cents)	38	**29**	(77)	**(2)**	(17)

[1] *The fair value gain on biological assets of R254,6 million (2023: loss of R384 million) is included in cost of sales.*

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2024

		GROUP		COMPANY	
	Notes	2024 R'000	Restated[1] 2023 R'000	2024 R'000	2023 R'000
Net cash flows from/(used in) operations	30	**28 369**	128 102	**(4)**	(3 918)
Interest paid		**(53 821)**	(44 356)	**–**	–
Interest received		**16 862**	14 687	**4**	2
Income taxes paid	31	**(465)**	(10 549)	**–**	–
Net cash flows (used in)/from operating activities		**(9 055)**	87 884	**–**	(3 916)
Cash flows used in investing activities					
Proceeds from sales of property, plant and equipment		**8 345**	1 727	**–**	–
Purchase of property, plant and equipment		**(62 275)**	(29 026)	**–**	–
Proceeds from other financial asset at amortised cost[1]		**63 494**	41 278	**–**	–
Contributions to other financial asset at amortised cost[1]		**(63 047)**	(59 498)	**–**	–
Loan advanced to Group company		**–**	–	**–**	(240 079)
Establishment cost on biological assets		**(34 243)**	(38 728)	**–**	–
Cash flows used in investing activities		**(87 726)**	(84 247)	**–**	(240 079)
Cash flows (used in)/from financing activities					
Proceeds from issue of share capital		**–**	250 000	**–**	250 000
Payments of rights issue cost		**–**	(6 004)	**–**	(6 004)
Repayment of borrowings		**(303 798)**	(58 561)	**–**	–
Proceeds from borrowings		**289 977**	–	**–**	–
Payment of loan raising fees		**(14 525)**	–	**–**	–
Repayment of lease liabilities		**(10 306)**	(9 383)	**–**	–
Cash flows (used in)/from financing activities		**(38 652)**	176 052	**–**	243 996
Net (decrease)/increase in cash and cash equivalents before effect of exchange rate changes		**(135 433)**	179 689	**–**	1
Effect of exchange rate changes on cash and cash equivalents		**456**	(4 137)	**–**	–
Net (decrease)/increase in cash and cash equivalents		**(134 977)**	175 552	**–**	1
Cash and cash equivalents at the beginning of the year		**191 916**	16 364	**1**	–
Cash and cash equivalents at the end of the year	13	**56 939**	191 916	**1**	1

[1] *In the prior year, the movement in other financial asset at amortised cost was incorrectly disclosed as a net movement. This has been corrected to disclose the gross inflows and outflows.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2024

	GROUP					
	Share capital R'000	Retirement benefit obligation reserve R'000	Share-based payment reserve R'000	Revaluation reserve R'000	Retained income R'000	Total R'000
Balance at 1 July 2022	1 491 674	2 229	1 014	14 344	1 241 789	2 751 050
Changes in equity						
Loss for the year	–	–	–	–	(312 864)	(312 864)
Other comprehensive loss	–	(735)	–	334	–	(401)
Total comprehensive loss for the year	–	(735)	–	334	(312 864)	(313 265)
Issue of equity	243 996	–	–	–	–	243 996
Employee share option scheme	–	–	1 150	–	–	1 150
Balance at 30 June 2023	1 735 670	1 494	2 164	14 678	928 925	2 682 931
Balance at 1 July 2023	**1 735 670**	**1 494**	**2 164**	**14 678**	**928 925**	**2 682 931**
Changes in equity						
Profit for the year	**–**	**–**	**–**	**–**	**136 072**	**136 072**
Other comprehensive income	**–**	**243**	**–**	**–**	**–**	**243**
Total comprehensive income for the year	**–**	**243**	**–**	**–**	**136 072**	**136 315**
Employee share option scheme	**–**	**–**	**755**	**–**	**–**	**755**
Balance at 30 June 2024	**1 735 670**	**1 737**	**2 919**	**14 678**	**1 064 997**	**2 820 001**
Notes	14		15			

	COMPANY			
	Share capital R'000	Share-based payment reserve R'000	Retained income R'000	Total R'000
Balance at 1 July 2022	1 529 431	1 014	968 083	2 498 528
Changes in equity				
Loss for the year	–	–	(71 094)	(71 094)
Total comprehensive loss	–	–	(71 094)	(71 094)
Issue of equity	243 996	–	–	243 996
Employee share option scheme	–	1 150	–	1 150
Balance at 30 June 2023	1 773 427	2 164	896 989	2 672 580
Balance at 1 July 2023	**1 773 427**	**2 164**	**896 989**	**2 672 580**
Changes in equity				
Loss for the year	**–**	**–**	**(7 315)**	**(7 315)**
Total comprehensive loss	**–**	**–**	**(7 315)**	**(7 315)**
Employee share option scheme	**–**	**755**	**–**	**755**
Balance at 30 June 2024	**1 773 427**	**2 919**	889 674	2 666 020
Notes	14	15		

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The consolidated and separate annual financial statements for the year ended 30 June 2024 were approved by the Board of Directors on 27 September 2024.

The material accounting policies applied in the preparation of these audited consolidated and separate annual financial statements are set out below and are incorporated in the separate notes throughout.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act.

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

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

All subsidiaries use uniform accounting policies.

These accounting policies are consistent with the previous period.

Consolidation

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

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

Transactions eliminated on consolidation

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

Investments in subsidiaries in the separate financial statements

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated annual financial statements from the date that control commences until the date that control ceases. They are deconsolidated from the date that control is lost.

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- Note 6 – Biological assets.

4. NEW STANDARDS AND INTERPRETATIONS

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group and Company have adopted all new and revised IFRS Accounting Standards that are relevant to their operations and effective for annual reporting periods beginning on or after 1 January 2023.

At the date of authorisation of these audited consolidated and separate annual financial statements for the year ended 30 June 2024, the following IFRS Accounting Standards were adopted:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Application of the above standards did not significantly impact these audited consolidated and separate annual financial statements for the year ended 30 June 2024.

4.2 New standards and interpretations not yet adopted

The Group and Company have not applied the following new, revised or amended pronouncements that have been issued by the IASB as they were not yet effective for the annual financial year beginning 1 July 2023. The directors anticipate that the new standards, amendments and interpretations will be adopted in the Company's audited consolidated and separate annual financial statements when they become effective.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- IFRS S1: *General Requirements for Disclosure of Sustainability-related Financial Information*; and
- IFRS 18: *Presentation and Disclosure in Financial Statements*.

The Company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods and determined that they will not have a material impact on the Group and Company in the current and future periods.

5. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for residential buildings. Capital work-in-progress assets are carried at cost less impairment losses. Significant capital spares that are available for use in their current form or condition are included within property, plant and equipment. The capital spares are carried at cost less any impairments and depreciated when they are installed. Residential buildings are measured based on the revaluation model at fair value less accumulated depreciation and accumulated impairment losses since the last revaluation. Valuations are performed every three years by an independent valuer. The residual value of the residential buildings equals their fair value therefore no depreciation was recognised.

The right-of-use assets and liabilities comprise warehouse space leased by the Group for a period of between three to five years with fixed annual escalations on lease payments, and are measured at the present value of lease payments over the lease term at the Company's incremental borrowing rate adjusted for asset-specific risks i.e. an unsecured asset and the lease term being shorter. The right-of-use assets are initially measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Refer to note 18 for details on lease liabilities.

The Company has elected to apply the recognition exemption to not recognise right-of-use assets and liabilities for short-term leases of 12 months or less.

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

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Depreciation of an item of plant and equipment commences when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date it is derecognised upon disposal. The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and is recognised net within other income/other expenses in profit or loss.

The residual values, depreciation methods and useful lives are reassessed annually at the reporting date. The useful lives of items of property, plant and equipment have been assessed as follows:

Asset class	Useful life	Depreciation method
Land	Indefinite	
Buildings	5 to 50 years	Straight-line
Plant and machinery	3 to 30 years	Straight-line
Residential buildings	20 to 49 years	Straight-line
Roads	10 to 40 years	Straight-line
Capital work in progress	Not depreciated	
Right-of-use assets – warehouse and offices	3 to 5 years	Straight-line
Motor vehicles	1 to 20 years	Straight-line
Other property, plant and equipment[1]	2 to 30 years	Straight-line
Bearer plants	20 to 30 years	Straight-line

[1] *Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

5. PROPERTY, PLANT AND EQUIPMENT continued

5.1 Balances at year-end and movements for the year

	GROUP										
	2024										
	Land R'000	Buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Bearer plants R'000	Capital work in progress R'000	Right-of-use assets – warehouses and office space R'000	Residential buildings R'000	Roads R'000	Other property, plant and equipment[1] R'000	Total R'000
Reconciliation for the year ended 30 June 2024											
Balance at 1 July 2023											
At cost or revaluation	140 880	321 628	680 327	233 149	26 689	33 576	64 377	24 567	40 259	19 393	1 584 845
Accumulated depreciation and impairment	–	(103 490)	(399 587)	(132 815)	(3 530)	–	(37 039)	–	(18 031)	(11 534)	(706 026)
Carrying amount	140 880	218 138	280 740	100 334	23 159	33 576	27 338	24 567	22 228	7 859	878 819
Movements for the year ended 30 June 2024											
Additions	**–**	**1 627**	**78 954**	**49 125**	**521**	**12 829**	**–**	**–**	**–**	**1 844**	**144 900**
Depreciation	**–**	**(12 696)**	**(56 102)**	**(25 081)**	**(1 026)**	**(2)**	**(8 863)**	**(189)**	**(1 172)**	**(2 596)**	**(107 727)**
Impairments	**(4)**	**(107)**	**(6 164)**	**(1 602)**	**–**	**(1 295)**	**–**	**–**	**(336)**	**(615)**	**(10 123)**
Transfers	**–**	**(7 516)**	**8 616**	**772**	**2 595**	**(14 594)**	**–**	**9 523**	**–**	**604**	**–**
Disposals	**–**	**(22)**	**(525)**	**(7 498)**	**–**	**–**	**–**	**–**	**–**	**(46)**	**(8 091)**
Property, plant and equipment at the end of the year	**140 876**	**199 424**	**305 519**	**116 050**	**25 249**	**30 514**	**18 475**	**33 901**	**20 720**	**7 050**	**897 778**
Closing balance at 30 June 2024											
At cost	**140 880**	**314 182**	**738 149**	**250 485**	**29 804**	**30 514**	**64 673**	**34 090**	**39 904**	**20 708**	**1 663 389**
Accumulated depreciation and impairment	**(4)**	**(114 758)**	**(432 630)**	**(134 435)**	**(4 555)**	**–**	**(46 198)**	**(189)**	**(19 184)**	**(13 658)**	**(765 611)**
Carrying amount	**140 876**	**199 424**	**305 519**	**116 050**	**25 249**	**30 514**	**18 475**	**33 901**	**20 720**	**7 050**	**897 778**

[1] *Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

5. PROPERTY, PLANT AND EQUIPMENT continued

5.1 Balances at year-end and movements for the year continued

	GROUP										
	2023										
	Land R'000	**Buildings R'000**	**Plant and machinery R'000**	**Motor vehicles R'000**	**Bearer plants R'000**	**Capital work in progress R'000**	**Right-of-use assets – warehouses and office space R'000**	**Residential buildings R'000**	**Roads R'000**	**Other property, plant and equipment[1] R'000**	**Total R'000**
Reconciliation for the year ended 30 June 2023											
Balance at 1 July 2022											
At cost or revaluation	140 880	317 882	662 365	212 882	20 987	43 529	59 365	22 745	40 259	14 032	1 534 926
Accumulated depreciation	–	(86 650)	(341 770)	(115 510)	(2 672)	–	(28 334)	–	(16 792)	(8 850)	(600 578)
Carrying amount	140 880	231 232	320 595	97 372	18 315	43 529	31 031	22 745	23 467	5 182	934 348
Movements for the year ended 30 June 2023											
Additions	–	–	–	16 973	–	43 942	5 013	148	–	–	66 076
Depreciation	–	(12 938)	(60 938)	(21 960)	(858)	–	(8 706)	–	(1 239)	(3 011)	(109 650)
Impairments	–	(4 029)	(79)	(145)	–	(5 672)	–	–	–	(16)	(9 941)
Revaluation increase	–	–	–	–	–	–	–	426	–	–	426
Transfers	–	3 964	21 663	9 921	5 702	(48 223)	–	1 248	–	5 725	–
Disposals	–	(91)	(501)	(1 827)	–	–	–	–	–	(21)	(2 440)
Property, plant and equipment at the end of the year	140 880	218 138	280 740	100 334	23 159	33 576	27 338	24 567	22 228	7 859	878 819
Closing balance at 30 June 2023											
At cost or revaluation	140 880	321 628	680 327	233 149	26 689	33 576	64 377	24 567	40 259	19 393	1 584 845
Accumulated depreciation and impairment	–	(103 490)	(399 587)	(132 815)	(3 530)	–	(37 039)	–	(18 031)	(11 534)	(706 026)
Carrying amount	140 880	218 138	280 740	100 334	23 159	33 576	27 338	24 567	22 228	7 859	878 819

[1] *Other property, plant and equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

5. PROPERTY, PLANT AND EQUIPMENT continued

5.2 Additional disclosures

Assets whose title is restricted and pledged as security

Landholdings with a carrying value of R42,3 million (2023: R29,8 million) with fixed properties of R173,6 million were encumbered in favour of Micawber 558 Proprietary Limited, as security for loans and borrowings, as per note 17.

The carrying values of assets pledged as security under instalment sale agreements are as follows:

	GROUP	
	2024 R'000	**2023 R'000**
Plant and machinery	**47 718**	17 358
Motor vehicles	**66 566**	66 268
Other equipment	**310**	–
Total	**114 594**	83 626

The Group has entered into instalment sale agreements with Absa, Mercedes Benz Financial Services/Daimler Financial Services and Toyota Financial Services for plant, equipment and vehicles (refer to note 17).

The present value of minimum instalment sale agreement payments due at year-end was R110 million (2023: R61 million) (refer to note 17).

5.3 Impairments

The Group performed impairment assessments on Sabie sawmill due to losses incurred in the current period as well as Stadsrivier sawmill, Driekop sawmill and the Roodekop drymill due to the restructuring of these plants. The recoverable amount was based on the fair value less cost of disposal.

External valuations were performed on the property, plant and equipment by an independent external valuer with experience in the sawmill industry. The fair value was based on the market value of the assets in their current condition.

Based on the impairment assessment on the Stadsrivier sawmill and Roodekop drymill, no impairment was required. The carrying value of the Sabie sawmill was R49,6 million and the recoverable amount was R44,9 million which resulted in the impairment of plant and equipment and other equipment of R4,7 million. The carrying value of the Driekop sawmill was R25,1 million and the recoverable amount was R22,4 million which resulted in the impairment of plant and equipment, other equipment, land, roads and buildings of R2,7 million.

6. BIOLOGICAL ASSETS

The Group recognises a biological asset when, and only when:

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

The biological assets comprise plantation biological assets (pine and eucalyptus trees) and unharvested fruit. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell at the point of harvest. The consequent gain or loss arising on initial recognition of biological assets at fair value less costs to sell is included in operating profit or loss, in the cost of sales line items. Any fair value adjustments subsequent to initial recognition will be included in operating profit or loss, in the cost of sales line item, for the period.

Plantation biological assets (pine and eucalyptus trees)

The plantation biological assets are measured at fair value less costs to sell, at each reporting period (31 December and 30 June), with any resultant gain or loss recognised in cost of sales. The calculation to establish the value of the plantation biological assets is based on existing, sustainable harvesting plans and assessments regarding growth, timber prices, harvesting and silviculture costs and selling expenses. The calculation is performed for a harvesting cycle of 20 to 23 years and does not include replanting of trees once harvested.

The valuation model considers the present value of the net cash flows expected to be generated from the plantations. The expected cash flows are risk-adjusted for current economic conditions.

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

The operating cycle will commence when the biological assets reach clearfell age at 20 to 23 years whereafter the biological assets will be consumed in the next 12 months as part of the normal operating cycle.

Establishment costs which include activities such as site preparation, planting and the cost of seedlings are capitalised to the biological asset. All subsequent costs are expensed through profit or loss.

In the current year, enhancements were made to the plantation database used to derive the biological asset value. Light Detection and Ranging (LiDAR) technology was used in flights over the Escarpment plantations and used to update the tree heights and volume in the database.

Changes to the site index of compartments were made based on the LiDAR data as well as a recently published study on the growth of our plantations in both the Highveld and Escarpment for unmeasured stands. This enhancement to data resulted in a volume decrease of R101 million and an increase in product mix of R98,9 million (net impact R2,1 million decrease) in the biological asset value. The total volumes decreased by 921 584m³ with an improved product mix on D-class logs increasing by 820 663m³.

The pine and eucalyptus plantations have been classified as Level 3 in the fair value hierarchy.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. BIOLOGICAL ASSETS continued

6.1 Reconciliation of changes in biological assets

Unharvested fruit

Avocados, citrus and macadamias growing on bearer plants are accounted for as biological assets until the point of harvest.

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

Harvested produce is transferred to inventory (refer to note 11) at fair value less cost to sell at the point of harvest.

	GROUP		
	2024		
	Unharvested fruit R'000	Pine and eucalyptus plantations R'000	Total R'000
Reconciliation for the year ended 30 June 2024			
Opening balance	7 063	2 529 202	2 536 265
Movements for the year ended 30 June 2024			
Establishment cost	–	34 243	34 243
Fair value adjustment			
– Change in fair value of avocados, citrus and macadamias due to growth	11 029	–	11 029
– Change in fair value of avocados, citrus and macadamias due to harvesting	(7 063)	–	(7 063)
– Increase due to growth and enumeration[1]	–	346 016	346 016
– Decrease due to harvesting		(251 106)	(251 106)
– Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions[2]	–	155 757	155 757
Biological assets at the end of the year	11 029	2 814 112	2 825 141
Classified as non-current assets	–	2 413 641	2 413 641
Classified as current assets[3]	11 029	400 471	411 500
	11 029	2 814 112	2 825 141

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

[2] *Changes to the discount rate, log sales prices and operating costs from the prior year balance, after the movement due to growth and harvesting.*

[3] *Trees to be harvested and sold in the 12 months after year-end.*

	GROUP		
	2023		
	Unharvested fruit R'000	Pine and eucalyptus plantations R'000	Total R'000
Reconciliation for the year ended 30 June 2023			
Opening balance	5 383	2 876 253	2 881 636
Movements for the year ended 30 June 2023			
Establishment cost	–	38 728	38 728
Fair value adjustment			
– Change in fair value of avocados and macadamias due to growth	7 063	–	7 063
– Change in fair value of avocados and macadamias due to harvesting	(5 383)	–	(5 383)
– Increase due to growth and enumeration[1]	–	322 408	322 408
– Decrease due to harvesting and disposals	–	(243 860)	(243 860)
– Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions[2]	–	(464 327)	(464 327)
Biological assets at the end of the year	7 063	2 529 202	2 536 265
Classified as non-current assets	–	2 216 402	2 216 402
Classified as current assets[3]	7 063	312 800	319 863
	7 063	2 529 202	2 536 265

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

[2] *Changes to the discount rate, log sales prices and operating costs from the prior year balance, after the movement due to growth and harvesting.*

[3] *Trees to be harvested and sold in the 12 months after year-end.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. BIOLOGICAL ASSETS continued

6.2 Change in discounted cash flow (DCF) attributable to (pine and eucalyptus plantations)

	GROUP	
	2024 R'000	2023 R'000
Opening balance	**2 529 202**	2 876 253
Change in product mix and age[1]	**294 806**	(315 326)
Revenue and price[2]	**(56 243)**	121 747
Operating costs	**(99 859)**	(162 234)
Discount rate	**197 175**	(240 164)
Establishment cost	**34 243**	38 728
Change in volume[3]	**(85 212)**	210 198
	2 814 112	2 529 202

[1] *Represents the cash flow profile change from the prior year yield forecast as a result of the change in the product mix and the age profile of the plantation biological assets. The movement in the product mix and age in the 2023 financial year was due to the extension in rotation period of the plantations to 23 years.*

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

[3] *Change in volume in the DCF model refers to changes in the forecast yield at maturity of planted trees. Temporary unplanted hectares increased by 430 hectares from the prior year. The DCF volumes over the 20 to 23-year period decreased from the prior year by 769 916m³. An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.*

6.3 Reconciliation of pine and eucalyptus standing volume

	GROUP	
	2024 m³	2023 m³
Opening balance	**6 890 527**	6 707 355
Increase due to growth and enumeration[1]	**942 681**	751 849
Decrease due to harvesting and sales	**(684 111)**	(568 677)
	7 149 097	6 890 527

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

6.4 Landholding

	GROUP	
	2024 Hectares	2023 Hectares
Pine	**55 355**	55 925
Eucalyptus	**444**	304
Temporary unplanted areas	**2 964**	2 534
Conservancy areas	**30 701**	30 701
Agricultural land	**115**	115
	89 579	89 579

6.5 Methodology and assumptions used in determining fair value

Pine and eucalyptus plantations

The key inputs into the DCF model are set out below.

Log prices: Log prices per cubic metre and per log class are based on current and future expected market prices at roadside. Future prices were adjusted upwards for price increases by 1,6% over the next year, 1,5% over the following year and 4,5% over the long term (2023: 4,8% over the next year, 4,4% over the following year and 4,6% over the long term). It is expected that prices will not increase purely as a result of inflation due to the continued constrained lumber market.

Operating costs: Costs include harvesting, maintenance and associated fixed overhead costs. No replanting and associated costs are included. The overheads are based on a unit cost on the remaining planted hectares, and reduce over the discount period as the remaining planted hectares reduce. Future costs, other than electricity and wages, were adjusted upwards for inflation by 4,6% over the next year, 4,5% over the following year and 4,5% over the long term (June 2023: 4,8% over the next year, 4,4% over the following year and 4,6% over the long term). Electricity and wage costs were increased by 12% and 5,85%, respectively.

Costs to sell: Costs to sell include harvesting and short haul costs to bring logs to roadside.

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

Volumes and volume adjustment factor: The total maturity volumes over the 20 to 23-year cycle are 22 236 957m³ (2023: 23 006 873m³). The projected volumes from the harvesting plans are risk-adjusted by a weighted average of 2% (2023: 3%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. BIOLOGICAL ASSETS continued

6.5 Methodology and assumptions used in determining fair value continued

	GROUP	
	2024 m³	2023 m³
Maturity volumes: Year		
Year 1 to 5	**3 792 821**	3 390 586
Year 6 to 10	**5 515 513**	5 830 549
Year 11 to 15	**5 940 519**	5 681 580
Year 16 and above	**6 988 104**	8 104 158
	22 236 957	23 006 873

Unharvested fruit

Prices: The fair value of avocados, citrus and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes. This varies between R1,54/kg and R25,75/kg for avocados, R0,84/kg and R8,77/kg for citrus and R31,86/kg for macadamias adjusted for expected costs to reach maturity, which is typically one to three months after the end of the reporting period.

Costs to sell: Costs to sell include packaging costs and harvesting costs of R0,96/kg for avocados, R5,38kg for macadamias and R0,74/kg for citrus.

Volume: The agricultural produce volumes were reduced by a weighted average of 1% (2023: 1%) for avocados and 11% (2023: 13%) moisture loss for macadamias. These adjustments were based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets on the historical pack-out yields.

Significant estimates include the expected agricultural produce yields and quality, and the expected market price.

The avocados, citrus and macadamias have been classified as Level 3 in the fair value hierarchy.

During the year, 1 148 tonnes (2023: 827 tonnes) of agricultural produce were harvested.

	GROUP		
	2024		
	Mature bearer plants ha	Immature bearer plants ha	Total ha
Bearer plant			
Avocado	**53**	**–**	**53**
Macadamia	**26**	**–**	**26**
Citrus	**38**	**60**	**98**
	117	**60**	**177**

	GROUP		
	2023		
	Mature bearer plants ha	Immature bearer plants ha	Total ha
Avocado	53	–	53
Macadamia	26	–	26
Citrus	–	98	98
	79	98	177

6.6 Key assumptions used in the calculation of the discount rate (pine and eucalyptus)

	GROUP	
	2024	2023
Beta factor[1]	**0,97**	1,07
Risk-free rate (%)[2]	**11,41**	11,76
Cost of equity (%)	**17,41**	18,42
Post-tax cost of debt (%)	**8,58**	8,58
After-tax WACC (%)	**15,43**	16,26
Debt-equity ratio[1]	**22:78**	22:78

[1] *York applied a relevered Beta and a debt/equity ratio of the market participants included in its comparable company basket.*

[2] *The GSAB10YR yield curve was used (2023: GSAB10YR yield curve).*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. BIOLOGICAL ASSETS continued

6.7 Risk exposure of plantation biological assets

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

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

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

Climate and other risks: The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group subscribes to various national fire prevention associations which use differing weather conditions to indicate fire risk. The Group insures itself against natural disasters such as fires and floods. Refer to note 9. The Group is mapping areas in terms of expected climatical conditions over York's landholdings and identifying suitable genetic material in response to climate changes and pest tolerance. To address climate change, the Group developed hybrid material that is more heat tolerant and less dependent on water.

6.8 Pledged as security

Landholdings amounting to 89 579ha with biological assets valued at R2,8 billion were encumbered in favour of Micawber 558 Proprietary Limited as security for loans and borrowings as per note 17.

6.9 Sensitivity analysis

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

	GROUP	
	2024 R'000	**2023 R'000**
Pine and eucalyptus plantations		
100 basis points increase in the current log price	**49 055**	45 576
25 basis points increase in forecast log prices (years 1 and 2 and long term)	**94 998**	88 808
25 basis points increase in the forecast cost inflation rate	**(34 935)**	(28 517)
50 basis points increase in the pre-tax cost of debt	**(19 782)**	(17 977)
25 basis points increase in the discount rate	**(59 750)**	(55 337)
100 basis points increase in projected volumes	**49 055**	45 576
Unharvested fruit		
100 basis points increase in market prices	**119**	76
25 basis points increase in harvesting cost	**(2)**	(1)
100 basis points increase in volumes	**110**	71

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less accumulated impairment losses.

7.1 The amounts included on the statements of financial position comprise the following:

	COMPANY	
	2024 R'000	**2023 R'000**
Investments in subsidiaries	**1 262 207**	1 261 452

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

7. INVESTMENTS IN SUBSIDIARIES continued

7.2 Investments in subsidiaries

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

7.2.1 Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business
Global Forest Products Proprietary Limited	Currently dormant and not actively trading	South Africa
York Timbers Proprietary Limited	Forestry and sawmilling	South Africa
Agentimber Proprietary Limited	Warehousing and wholesale	South Africa
York Fleet Solutions Proprietary Limited	Fleet management	South Africa
Mbulwa Estate Proprietary Limited	Property holding used both as a conference venue and accommodation	South Africa
Sonrach Properties Proprietary Limited	Property holding used both as an office building and accommodation	South Africa
Stadsrivier Vallei Proprietary Limited	Farming, sawmilling and packhouse	South Africa

7.2.2 Interest held in material subsidiaries

	COMPANY			
	Interest 2024 %	Carrying amount 2024 R'000	Interest 2023 %	Carrying amount 2023 R'000
Global Forest Products Proprietary Limited	**100**	**1 117 743**	**100**	1 117 743
York Timbers Proprietary Limited	**100**	**144 464**	**100**	143 709
Agentimber Proprietary Limited	**100**	**–**	**100**	–
York Fleet Solutions Proprietary Limited	**100**	**–**	**100**	–
Mbulwa Estate Proprietary Limited	**100**	**–**	**100**	–
Sonrach Properties Proprietary Limited	**100**	**–**	**100**	–
Stadsrivier Vallei Proprietary Limited	**100**	**–**	**100**	–
		1 262 207		1 261 452

All of the companies are incorporated and domiciled in the Republic of South Africa.

8. DEFERRED TAX

A deferred tax liability is recognised for all taxable temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

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

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

8.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Deferred tax assets	**5 158**	9 991	**–**	–
Deferred tax liability	**(785 991)**	(741 122)	**–**	–
Net deferred tax liabilities	**(780 833)**	(731 131)	**–**	–
Provisions	**18 863**	55 422	**–**	–
Estimated tax loss	**39 774**	18 946	**–**	–
Total deferred tax assets	**58 637**	74 368	**–**	–
Capital allowances	**(72 606)**	(117 179)	**–**	–
Biological assets	**(762 788)**	(684 791)	**–**	–
Defined benefit plan reserve and revaluation reserve	**(4 076)**	(3 529)	**–**	–
Total deferred tax liability	**(839 470)**	(805 499)	**–**	–
Net deferred tax liability	**(780 833)**	(731 131)	**–**	–

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

8. DEFERRED TAX continued

8.2 Deferred tax balances and movements

	GROUP						
	Balance as at 1 July 2023 R'000	Increase in tax losses available for set-off against future taxable income[1] R'000	Deductible temporary differences[1] R'000	Changes to other comprehensive income R'000	Deferred tax not recognised[1] R'000	Prior year under provision[1] R'000	Closing balance as at 30 June 2024 R'000
Deferred tax	(731 131)	22 408	(70 106)	(432)	–	(1 572)	**(780 833)**
Total	(731 131)	22 408	(70 106)	(432)	–	(1 572)	**(780 833)**

[1] *The total of these amounts equals the deferred tax movement in profit or loss in note 29.*

	GROUP						
	Balance as at 1 July 2022 R'000	Increase in tax losses available for set-off against future taxable income[1] R'000	Taxable temporary differences[1] R'000	Changes to other comprehensive income R'000	Deferred tax not recognised[1] R'000	Prior year under provision[1] R'000	Closing balance as at 30 June 2023 R'000
Deferred tax	(848 872)	13 143	103 387	1 247	(36)	–	**(731 131)**
Total	(848 872)	13 143	103 387	1 247	(36)	–	**(731 131)**

[1] *The total of these amounts equals the deferred tax movement in profit or loss in note 29.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

8. DEFERRED TAX continued

8.2 Deferred tax balances and movements continued

	COMPANY		
	Balance as at 1 July 2022 R'000	Deferred tax not recognised[1] R'000	Closing balance as at 30 June 2023 R'000
Deferred tax	36	(36)	–
Total	36	(36)	–

[1] *The total of these amounts equals the deferred tax movement in profit or loss in note 29.*

8.3 Deferred tax asset not recognised

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Assessed loss not recognised	**6 651**	5 965	**–**	–
Potential tax benefit on assessed loss	**1 796**	1 611	**–**	–

9. OTHER FINANCIAL ASSETS AT AMORTISED COST

Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- The assets are held to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

The other financial assets comprise funds accumulated under a contingency insurance policy. These funds are invested in two Hollard funds with a low-risk investment strategy. Investment returns are accumulated in the funds. The fund balance is automatically rolled into the new policy year. The capacity target of the fund is R197,9 million (2023: R198,8 million) and is reassessed annually to take into account changing insurance cover requirements.

Risk exposure

The investments held by the Group inherently expose it to interest rate risk. Refer to note 35 Financial risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Other financial assets at amortised cost incorporate the following balances:

	GROUP	
	2024 R'000	Restated[1] 2023 R'000
Other financial assets at amortised cost (contingency fund)	**132 558**	133 005
Non-current assets	**81 210**	78 132
Current assets	**51 348**	54 873
	132 558	133 005

[1] *Refer to note 39 for details on the restatement.*

10. LOAN TO GROUP COMPANY

Loans to Group companies are measured, at initial recognition, at fair value and subsequently measured at amortised cost using the effective interest method.

The loans to Group companies are unsecured, bear no interest and have a notice period of 367 days. The loan is amortised at a market-related interest rate, being the prime interest rate in South Africa.

Impairment

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

Repayment of the loan has been subordinated as security for borrowings as per note 17.

Loans receivable inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if counterparties fail to make payments as they fall due. Refer to note 35 Financial risk management for details of risk exposure and the processes and policies adopted to mitigate these.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

10. LOAN TO GROUP COMPANY continued

10.1 Loan to Group company comprises the following balances:

	COMPANY	
	2024 R'000	**2023 R'000**
York Timbers Proprietary Limited	**1 405 551**	1 411 971
Non-current assets	**1 405 551**	1 411 971
Current assets	**–**	–
	1 405 551	1 411 971

10.2 Face value of loan

	COMPANY	
	2024 R'000	**2023 R'000**
York Timbers Proprietary Limited	**1 581 786**	1 581 044

11. INVENTORIES

Raw materials, work in progress and finished goods of timber and timber-related products and consumable stores are measured at the lower of cost and net realisable value. The cost of timber and timber-related products is based on the weighted average method.

The cost of harvested timber (included in raw materials) is its fair value less estimated point of sale costs at the date of harvest, based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets. Any change in value at the date of harvest is recognised in profit or loss. The harvested timber is carried at roadside prices which include transport costs up to roadside. The ageing of logs is used to determine whether the logs should be written off. Logs older than 20 weeks are written off.

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

11.1 Inventories comprise:

	GROUP	
	2024 R'000	**2023 R'000**
Raw materials	**47 742**	30 420
Consumables	**60 389**	57 531
Work in progress	**72 849**	41 423
Timber products	**139 578**	113 968
Merchandise	**–**	2 638
Agricultural produce	**2 463**	813
Provision for write-downs	**(8 146)**	(2 862)
	314 875	243 931

The total movement in cost of sales regarding inventory write-downs was a R5 million loss (2023: gain of R0,5 million). Inventory recognised as an expense in cost of sales was R1 138 million (2023: R1 093 million). In the prior year, the inventory recognised as an expense in cost of sales was incorrectly disclosed as R514,6 million and excluded harvested timber and operating expenses allocated to inventory and was corrected in the current year.

11.2 Finished goods at net realisable value

	GROUP	
	2024 R'000	**2023 R'000**
Finished goods	**22 512**	22 429

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

12. TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are initially recognised at the amount of the consideration due. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost.

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

The Group and Company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The Group and Company recognise a loss allowance for expected credit losses on trade and other receivables, excluding value added tax (VAT), interest and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group and Company calculated the expected credit loss under the simplified approach using a provision matrix. The expected credit loss is calculated by applying an expected loss ratio to each age receivable group.

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

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables are included in profit or loss.

12.1 Trade and other receivables comprise:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade receivables	**209 599**	193 462	**178**	178
Trade receivables impairment	**(8 630)**	(7 243)	**(178)**	(178)
Trade receivables – net	**200 969**	186 219	**–**	–
Other receivables	**5 968**	9 549	**–**	–
Prepaid expenses	**21 318**	15 493	**269**	184
Deposits	**10 348**	8 675	**–**	–
Employee costs in advance	**2 413**	1 823	**–**	–
VAT	**2 518**	8 297	**–**	–
Total trade and other receivables	**243 534**	230 056	**269**	184

12.2 Items included in trade and other receivables not classified as financial instruments

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Prepaid expenses	**21 318**	15 493	**269**	184
VAT	**2 518**	8 297	**–**	–
Total non-financial instruments included in trade and other receivables	**23 836**	23 790	**269**	184
Financial assets included in trade and other receivables	**219 698**	206 266	**–**	–
Total trade and other receivables	**243 534**	230 056	**269**	184

12.3 Movements in impairment of trade and other receivables are as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At the beginning of the year	**7 243**	7 186	**178**	178
Remeasurement of loss allowance	**2 100**	2 148	**–**	–
Bad debt written off	**(713)**	(2 091)	**–**	–
At the end of the year	**8 630**	7 243	**178**	178

Normal trading terms are 30 days. Debtors balances beyond trading terms are issued a final demand notice and if unsuccessful, handed over to a debt collector for non-Credit Guarantee Insurance Corporation of South Africa Limited (CGIC) insured debtors or handed over to CGIC for insured debtors.

A debtor is considered to be in default and is written off once both York and/or CGIC have exhausted all avenues to recover the debt. This includes the issuance of final demands and subsequent legal action should the final demand be unsuccessful. During the year, debtors to the value of R713 000 were written off.

12.4 Trade and other receivables pledged as security

At year-end, trade receivables and CGIC insurance had been ceded to Absa Bank as security for banking facilities (refer to note 17). The amount of trade receivables that has been pledged as security was R194,7 million (2023: R160 million).

Refer to note 35 Financial risk management for details on credit risk.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are classified as financial assets subsequently measured at amortised cost in terms of IFRS 9 and comprise cash on hand, bank balances and short-term deposits.

Cash and cash equivalents included in current assets:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash				
Cash on hand	**135**	158	**–**	–
Balances with banks	**38 625**	33 002	**1**	1
Short-term deposits	**18 179**	158 756	**–**	–
	56 939	191 916	**1**	1

The carrying amount reasonably approximates its fair value.

14. ISSUED CAPITAL

Ordinary share capital

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

No movement of shares occurred in the current financial period. All issued shares are paid in full.

The Group repurchased shares during the 2016 and 2017 financial years in the open market in order to benefit from the discount between the share price and the tangible net asset value per share. A total of 10,3 million shares (2023: 10,3 million shares) were held by the subsidiary at 30 June 2024 and are treated as treasury shares for accounting purposes.

Authorised and issued share capital

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Authorised				
600 000 000 ordinary shares of R0,05 each	**30 000**	30 000	**30 000**	30 000

14. ISSUED CAPITAL continued

Authorised and issued share capital continued

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Issued				
474 097 739 (2023: 474 097 739) ordinary shares	**23 705**	23 705	**23 705**	23 705
10 344 355 (2023: 10 344 355) treasury shares	**(517)**	(517)	**–**	–
Rights issue cost	**(6 006)**	(6 006)	**(6 006)**	(6 006)
	17 182	17 182	**17 699**	17 699
Share premium	**1 718 488**	1 718 488	**1 755 728**	1 755 728
	1 735 670	1 735 670	**1 773 427**	1 773 427

All issued shares are paid in full.

	GROUP		COMPANY	
	2024 '000	2023 '000	2024 '000	2023 '000
Share reconciliation – number of shares				
Shares outstanding – beginning of the period	**463 753**	320 896	**474 098**	331 241
Rights issue	**–**	142 857	**–**	142 857
Shares outstanding – closing	**463 753**	463 753	**474 098**	474 098

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

15. SHARE-BASED PAYMENT

Share-based payment

The Group has an equity-settled incentive scheme for its senior employees.

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

The fair value of the options is estimated at grant date using the binomial pricing model, taking into account the terms and conditions upon which the instruments were granted. Due to the Group not expecting a dividend flow within the next three years and no consideration payable at exercise date, the grant date fair value is deemed to be equal to the share price at award date.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Share-based payment reserve				
Opening balance	**2 164**	1 014	**2 164**	1 014
Share-based payment movement	**755**	1 150	**755**	1 150
Total reserves	**2 919**	2 164	**2 919**	2 164

During the period ended 30 June 2024, the Company had one (2023: one) share-based payment scheme, with the following details:

	GROUP		COMPANY	
	2024	2023	2024	2023
Key assumptions used in the 2022 award				
York share price at the reporting date	**R1,71**	R1,90	**R1,71**	R1,90
Number of shares awarded	**1 300 000**	1 300 000	**1 300 000**	1 300 000
Award date	**12/08/2021**	12/08/2021	**12/08/2021**	12/08/2021
Expiry/vesting date	**12/08/2024**	12/08/2024	**12/08/2024**	12/08/2024
Fair value of options at grant date	**R3,32**	R3,32	**R3,32**	R3,32
Exercise price	**R0,00**	R0,00	**R0,00**	R0,00
Expected vesting rate	**70,40%**	80,00%	**70,40%**	80,00%
Vesting conditions	**Three years' service**	Three years' service	**Three years' service**	Three years' service

	GROUP		COMPANY	
	2024 '000	2023 '000	2024 '000	2023 '000
Unit reconciliation				
Opening balance	**1 300**	1 300	**1 300**	1 300
Movement	**–**	–	**–**	–
Closing balance	**1 300**	1 300	**1 300**	1 300

16. PROVISIONS

Restructuring provision

A provision for restructuring is recognised when the Group has established a detailed plan and either implementation has begun or the main features of the plan have been communicated to the parties involved. Restructuring costs include, for example, costs for plant closures, impairment of production machinery and costs for personnel reductions. The restructuring provision relates to the closure of two small business units in the Group which is expected to be finalised within the next 12 months. The impact of discounting was assessed as immaterial.

Environmental rehabilitation provision

The provision arose from a previous business combination. It comprised contingent amounts assessed at the date of the transaction. At each financial period-end the amount is reassessed. The expected timing of the outflow of economic benefits is estimated to be during the next two to five years. The reassessment in the current year resulted in the release of provisions no longer required. The remaining provision relates to requirements to meet environmental legislation.

Retirement plan contribution provision

The provision relates to Company contributions and interest in relation to one of the Group's provident funds that was previously disclosed as a contingency. The Group and its legal advisors continue to work with the fund, as instructed by the Court to come to an agreement on the amount payable by York.

16.1 Provisions comprise:

	GROUP	
	2024 R'000	2023 R'000
Environmental rehabilitation	**6 778**	18 518
Non-current portion	**6 778**	18 518
Retirement plan contribution provision	**8 270**	–
Restructuring	**6 133**	2 656
Current portion	**14 403**	2 656
	21 181	21 174

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

16. PROVISIONS

16.2 Provisions

	GROUP			
	Environmental rehabilitation R'000	Restructuring R'000	Retirement plan contribution provision R'000	Total R'000
Balance at 1 July 2023	18 518	2 656	–	21 174
Net movement	(11 740)	3 477	8 270	7
Balance at 30 June 2024	**6 778**	**6 133**	**8 270**	**21 181**

	GROUP			
	Environmental rehabilitation R'000	Restructuring R'000	Retirement plan contribution provision R'000	Total R'000
Balance at 1 July 2022	17 670	2 912	–	20 582
Net movement	848	(256)	–	592
Balance at 30 June 2023	18 518	2 656	–	21 174

17. BORROWINGS

Borrowings are recognised when the Group becomes a party to the contractual provisions of the loan. They are subsequently measured at amortised cost using the effective interest rate method. Borrowings are measured at initial recognition at fair value less transaction costs.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 28). Loan raising fees are amortised using the effective interest rate method over the term of the associated loan.

The borrowing facility with Land Bank and the Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited) were refinanced on 3 May 2024 with a loan from FMO which was settled with York Timbers Proprietary Limited.

17.1 Borrowings comprise:

	GROUP	
	2024 R'000	2023 R'000
Land Bank term loan	**–**	177 805
Land Bank press loan	**–**	2 842
FMO	**280 776**	–
Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited)	**–**	75 000
Absa Capital fund loan (Sonrach Properties Proprietary Limited)	**3 602**	4 734
Instalment sale agreement	**109 935**	61 455
Absa IMX facility	**83 622**	72 645
Loan raising fee	**(14 525)**	(804)
	463 410	393 677
Non-current portion of borrowings	**345 123**	237 375
Current portion of borrowings	**118 287**	156 302
	463 410	393 677

The carrying amounts reasonably approximate their fair value.

17.2 Terms of above loans

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

At year-end, the IMX facility granted by Absa Bank was secured by the cession of a clearing account held with Absa Bank and the cession of trade receivables with a maximum exposure limit of R150 million, and CGIC insurance (refer to note 12). The IMX facility bears interest at the prime interest rate on the utilised amount. The general banking facility is available to all companies in the Group. The availability on the Absa invoice discounting facility is limited to the lower of 85% of qualifying debtors or R150 million.

Absa Capital fund loan (Sonrach Properties Proprietary Limited): This loan bears interest at an interest rate of prime less 0,75% (2023: prime less 0,75%) per annum and is payable in monthly instalments in arrears, over a period of 10 years of which 2 are remaining.

Loan raising fees: The loan raising fee is amortised over the period of the loan using the effective interest rate method. The amortised amount is included in finance expenses (refer to note 28).

FMO loan: The term of the new facility is nine years, with an initial two-year capital repayment holiday. Interest is charged at a margin of 3,38% above the three-month JIBAR with the ability to reduce by 50 basis points when the York Timber Holdings Limited Group and its subsidiaries deliver two consecutive years of net profit.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

17. BORROWINGS continued

17.2 Terms of above loans continued

Security over the FMO debt

- Security provided to FMO is held *via* a special purpose vehicle, Micawber 558 Proprietary Limited. All security provided for the facility is in favour of Micawber 558 Proprietary Limited which in turn holds the security in favour of FMO.

Security provided for the FMO facility comprises:

- Mortgage bonds over certain land holdings and property of the Group in favour of Micawber 558 Proprietary Limited with a maximum value of R1,4 billion as continuing covering security and a further R250 million for contingent payments and costs over certain fixed property of the Group as per note 5;
- General notarial bonds in favour of Micawber 558 Proprietary Limited issued by certain subsidiaries of the Group to a value of R500 million as continuing security and a further R125 million as security for contingent payments and costs; and
- Ceded rights in and to certain insurance policies of the Group.

Further security provided to Absa Bank for the Group's general facilities includes:

- A joint and several guarantee of R154 million provided by Agentimber Proprietary Limited and Global Forest Products Proprietary Limited in favour of Absa Bank. This guarantee was cancelled subsequent to year-end; and
- First covering mortgage bonds over certain land holdings and property of the Group with a maximum value of R150 million. Subsequent to year-end, the joint and several guarantee of R154 million was cancelled and replaced by a R250 million limited guarantee issued by Stadsrivier Vallei Proprietary Limited.

Refer to note 35 Financial risk management for the fair value of borrowings. Refer to note 34 for details on the covenant compliance.

17.3 Instalment sale agreement obligation

	GROUP 2024 R'000	GROUP 2023 R'000
Within one year	**43 793**	29 476
Second to fifth year inclusive	**89 416**	42 233
Less: Future finance charges	**(23 274)**	(10 254)
	109 935	61 455

The instalment sale agreement liabilities consist of 80 (2023: 113) instalment sale agreements, payable over a period of three to six years at effective interest rates of prime less 1% to prime plus 0,5% (2023: prime less 1% to prime plus 0,5%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R114,6 million (2023: R83,6 million). Refer to note 5. They have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

	GROUP 2024 R'000	GROUP 2023 R'000
Present value of minimum instalment sale agreement payments		
Within one year	**32 937**	23 873
Second to fifth year inclusive	**76 998**	37 582
	109 935	61 455

17.4 Instalment sale providers

	GROUP 2024		GROUP 2023	
	Number of instalment sale agreements	Interest rates %	Number of instalment sale agreements	Interest rates %
Absa Bank	**53**	**10,75 – 12,25**	89	10,75 – 12,25
Mercedes Finance/Daimler Truck	**20**	**11,25 – 12,05**	16	11,25 – 12
Toyota Finance	**7**	**10,75 – 11,25**	8	10,75 – 11,25
	80		113	

18. LEASE LIABILITIES

The lease liability is measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate adjusted for asset-specific risk and the lease term. The lease liability relates to office space and warehouse leases for three to five years.

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

Refer to note 5 for disclosure around the right-of-use assets, accumulated depreciation, impairment and depreciation and the accounting policy, note 26 for short-term leases and variable lease payments and note 28 for the finance cost on lease liabilities.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

18. LEASE LIABILITIES continued

18.1 Lease liabilities comprise

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Lease liability	**21 924**	30 161	**–**	–
Non-current liabilities	**12 928**	21 925	**–**	–
Current liabilities	**8 996**	8 236	**–**	–
	21 924	30 161	**–**	–

18.2 Contractual undiscounted cash flow

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Less than one year	**10 355**	10 298	**–**	–
One to five years	**13 763**	23 513	**–**	–
	24 118	33 811	**–**	–

18.3 Assumptions used

	GROUP	
	2024	2023
Lease terms	**3 – 5 years**	3 – 5 years
Group's incremental borrowing rate	**7% – 10%**	7% – 10%
Adjustment to asset-specific risk – unsecured debt	**0,25%**	0,25%
Adjustment over the lease term	**0,25%**	0,25%
Effective interest rate	**7,5% – 10,5%**	7,5% – 10,5%

19. RETIREMENT BENEFIT OBLIGATIONS

The Group's policy is not to provide post-retirement medical aid benefits to its employees. However, a provision is made for a closed group of current and former employees in respect of legacy post-retirement medical scheme contribution subsidies. Independent actuaries determine the value of this obligation and the annual costs of the benefits. The assumptions used are consistent with those adopted by the actuaries in determining pension costs and in addition include long-term estimates of the increases in medical costs and appropriate discount rates. An actuarial valuation is performed annually on the plan. The closing balance of the plan is the present value of the defined benefit obligation and is wholly unfunded. There is no asset-funding plan in place.

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

19.1 Defined benefit plan – retirement benefit obligation

19.1.1 The movement in the defined benefit liability over the year is as follows:

	GROUP	
	2024 R'000	2023 R'000
Opening balance at 1 July 2023	**26 429**	24 081
Current service cost	**–**	1
Interest cost	**3 409**	2 697
Actuarial (gains) and losses	**(678)**	2 074
Benefits paid	**(2 721)**	(2 423)
Closing balance at 30 June 2024	**26 439**	26 430

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

Actuarial gains and losses arising from changes in demographic assumptions

The actuarial gain for the current year consists of two factors, demographic and financial. The demographic factors contributed a loss of R0,2 million (2023: gain of R3,1 million) and the financial factors a profit of R0,8 million (2023: loss of R5,2 million).

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

19. RETIREMENT BENEFIT OBLIGATIONS continued

19.1 Defined benefit plan – retirement benefit obligation continued

19.1.1 The movement in the defined benefit liability over the year is as follows: continued

	GROUP	
	2024 R'000	2023 R'000
Defined benefit plan balances at year-end		
Included in non-current liabilities	**(23 526)**	(26 430)
Included in current liabilities	**(2 912)**	–
	(26 438)	(26 430)

19.2 Defined benefit contributions

19.2.1 Actuarial assumptions

The significant actuarial assumptions were as follows:

	GROUP	
	2024	2023
Number of active members	**–**	–
Number of retired members	**34**	35
Average expected discounted duration of the scheme for pensioners (years)	**7**	7,40
Discount rate (estimated corporate bond yield)	**12,30%**	12,90%
Medical contribution inflation rate	**10,30%**	10,90%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

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

	GROUP	
	2024	2023
A 1% increase in the medical inflation rate would have the following effects:		
100 basis points increase: Increase in aggregate of the service cost and interest cost	**79**	968
100 basis points increase: Increase in defined benefit obligation	**1 920**	1 986
A 1% change in the investment discount rate would have the following effects:		
100 basis points increase: Increase in aggregate of the service cost and interest cost	**116**	61
100 basis points increase: Decrease in defined benefit obligation	**(1 675)**	(1 729)

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

	GROUP	
	2024 R'000	2023 R'000
Contributions towards defined benefit plan	**2 784**	2 628

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

19. RETIREMENT BENEFIT OBLIGATIONS continued

19.3 Future cash flow impact

Below is the undiscounted maturity analysis of the retirement benefit obligation. The weighted average duration for pensioners in payment is 17 years (2023: 18 years).

19.3.1 Expected maturity analysis of undiscounted pension and post-employment medical benefits

	GROUP			
	Less than a year	1 to 2 years	2 to 5 years	More than 5 years
Year ended 30 June 2024				
Defined benefit plan – retirement benefit obligation	**3 030**	**3 186**	**10 357**	**89 613**
Year ended 30 June 2023				
Defined benefit plan – retirement benefit obligation	2 777	2 952	9 839	103 349

19.4 Defined contribution plan: Retirement fund

The Group has three provident fund schemes, York Timbers Provident Fund, Alexander Forbes Provident Fund and the Hospitality and General Provident Fund, for all employees. The Group also has an Alexander Forbes Pension Fund.

	GROUP	
	2024	2023
The number of members at year-end:		
Hospitality and General Provident Fund	**87**	102
York Timbers Provident Fund	**1 391**	1 379
Alexander Forbes Provident Fund	**286**	400

19.5 Defined contribution plan: Pension fund

	GROUP	
	2024	2023
The number of members at year-end:		
Alexander Forbes Pension Fund	**7**	7
Momentum Pension Fund	**–**	141

20. TRADE AND OTHER PAYABLES

Trade and other payables, excluding VAT, payroll-related accruals and amounts received in advance, are classified as financial liabilities when the Group and Company become a party to the contractual provisions and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and the management thereof.

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

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

20.1 Trade and other payables comprise:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade payables	**260 163**	273 533	**960**	230
Deposits received	**439**	206	**–**	–
Accruals	**52 617**	32 950	**1 007**	2
Payroll-related accruals	**35 248**	34 281	**–**	698
Other payables	**5 156**	1 594	**–**	–
VAT	**–**	2 707	**43**	100
Total trade and other payables	**353 623**	345 271	**2 010**	1 030

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

20. TRADE AND OTHER PAYABLES continued

20.2 Items included in trade and other payables not classified as financial liabilities

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
VAT	**–**	–	**43**	99
Payroll-related accruals	**35 248**	34 281	**–**	698
Total non-financial liabilities included in trade and other payables	**35 248**	34 281	**43**	797
Non-financial liabilities included in trade and other payables	**318 375**	310 990	**1 967**	233
Total trade and other payables	**353 623**	345 271	**2 010**	1 030

21. COMMITMENTS

Authorised capital expenditure

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Property, plant and equipment and biological assets				
Not yet contracted for and authorised by the directors	**39 229**	67 758	**–**	–
Already contracted for but not provided for	**73 778**	18 283	**–**	–

Included in property, plant and equipment and biological assets already contracted for but not provided for is the purchase of the Pine-Valley plantation for R65,4 million that was signed on 29 January 2024. The subject property has R35 million standing timber, R1 million fixed improvements and land valued at R29,3 million. The transaction is expected to complete before the end of the 2024 calendar year. The transaction will be funded by the existing FMO facility.

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

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

22. REVENUE

The Group recognises revenue from the following major sources:

- Sale of logs;
- Sale of timber products;
- Chip sales;
- Sale of nuts and fruits; and
- Income from fruit packing.

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

Sale of logs

Revenue is recognised at a point in time for the sale of logs.

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

Chip sales

Revenue is recognised when control of the goods has transferred, being at the point when the customer receives the goods. When the customer collects the goods at the Company's premises, control has passed to the customer and no risk remains with the Group. In instances where delivery is required, control passes when the customer receives the goods at their premises.

Payment of the transaction price is due immediately at the point the customer purchases the goods, or within 30 days for account-holding customers. A receivable is recognised for account-holding customers. No financing element is recognised as the payment terms are within 30 days.

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

22. REVENUE continued

Sale of timber products (plywood and lumber sales)

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

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

Revenue is deferred when performance obligations have not been satisfied. This is mostly for export sales where the International Commercial Terms are used to determine when performance obligations have been satisfied.

Sale of nuts and fruit

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

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

Deferred revenue is recognised for produce where the Group has received partial payment for the produce from the agent.

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

Income from fruit packing

Revenue derived from fruit packing services rendered is recognised when the goods are packed, at a point in time, and is based on the pack-out distribution of the produce delivered by the grower.

22.1 Revenue comprises:

	GROUP		COMPANY	
	2024 R'000	**2023 R'000**	**2024 R'000**	**2023 R'000**
Sale of goods	**1 720 438**	1 637 997	**–**	–
Rendering of services	**24 781**	28 297	**6 294**	6 404
Total revenue	**1 745 219**	1 666 294	**6 294**	6 404

22.2 Disaggregation of revenue from contracts with customers

Sale of goods

	GROUP		COMPANY	
	2024 R'000	**2023 R'000**	**2024 R'000**	**2023 R'000**
Fruit and nut sales	**24 573**	14 655	**–**	–
Log sales	**154 194**	108 791	**–**	–
Lumber sales	**852 416**	823 239	**–**	–
Chip sales and other revenue[1]	**56 849**	38 610	**–**	–
Plywood sales	**632 406**	652 702	**–**	–
	1 720 438	1 637 997	**–**	–
Rendering of services				
Accommodation income	**363**	1 073	**–**	–
Administration and management fees	**–**	–	**6 294**	6 404
Treating income	**4 381**	4 407	**–**	–
Transport income	**3 337**	3 189	**–**	–
Income from fruit packed	**16 700**	19 628	**–**	–
	24 781	28 297	**6 294**	6 404
Total revenue	**1 745 219**	1 666 294	**6 294**	6 404

[1] *Mainly consist of chip sales, sawdust and other ancillary sales.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

22. REVENUE continued

22.3 Timing of revenue recognition

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At a point in time				
Sale of goods	**1 720 438**	1 637 997	**–**	–
Rendering of services	**24 418**	27 224	**6 294**	6 404
	1 744 856	1 665 221	**6 294**	6 404
Over time				
Rendering of services – accommodation income	**363**	1 073	**–**	–
	363	1 073	**–**	–
Total revenue from contracts with customers	**1 745 219**	1 666 294	**6 294**	6 404

Refer to note 32 for revenue per geographical area.

23. COST OF SALES

Cost of sales comprises:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Raw material, timber purchases and transport	**653 776**	646 046	**–**	–
Fair value adjustment on biological assets	**(254 634)**	384 099	**–**	–
Employee costs	**302 490**	285 422	**–**	–
Utilities	**85 374**	75 511	**–**	–
Depreciation	**68 709**	70 700	**–**	–
External log purchases	**283 088**	240 582	**–**	–
Total cost of sales	**1 138 803**	1 702 360	**–**	–

24. OTHER INCOME

Other income comprises:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Scrap sales	**856**	6 243	**–**	–
Insurance income	**4 976**	322	**–**	–
Sundry income[1]	**4 230**	4 282	**–**	–
Bad debt recovered	**148**	63	**–**	–
Other rental income[2]	**5 837**	4 969	**–**	–
Total other income	**16 047**	15 879	**–**	–

[1] *Sundry income relates to seedlings sold and income received for training programmes.*

[2] *Other rental income relates to income derived from rental income on telecommunication infrastructure placed on the Group's property and other property rental.*

25. OTHER GAINS AND (LOSSES)

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

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at rates of exchange ruling at the reporting date (spot rate). Any foreign exchange differences are recognised in profit or loss in the year in which the difference occurs.

Other gains and (losses) comprise:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Gain or (loss) on disposal of property, plant and equipment	**254**	(652)	**–**	–
Gain or (loss) on foreign exchange differences	**452**	(4 137)	**–**	–
Fair value gains on investment property	**–**	1 784	**–**	–
Total other gains and (losses)	**706**	(3 005)	**–**	–

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

26. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(loss) from operating activities includes the following separately disclosable items:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cost of sales				
Property, plant and equipment				
– depreciation	**68 709**	70 700	**–**	–
Utilities	**85 374**	75 511	**–**	–
Employee costs	**302 490**	285 422	**–**	–
Fair value adjustment on biological assets	**(254 634)**	384 099	**–**	–
Raw material, timber purchases and transport	**653 776**	646 046	**–**	–
External log purchases	**283 088**	240 582	**–**	–
Total cost of sales	**1 138 803**	1 702 360	**–**	–
Other operating expenses				
Property, plant and equipment				
– depreciation	**30 154**	30 459	**–**	–
– impairment loss	**10 123**	9 941	**–**	–
Intangible assets				
– amortisation	**94**	104	**–**	–
Right-of-use assets				
– depreciation	**8 864**	8 491	**–**	–
Other impairments				
– trade and other receivables	**1 773**	(309)	**–**	–
Utilities	**23 135**	13 859	**–**	–
Employee costs	**135 310**	116 222	**4 817**	5 360
Share-based payments				
– Equity-settled share-based payments	**755**	1 150	**–**	–
Insurance	**46 023**	42 829	**–**	–
Repairs and maintenance	**12 503**	14 214	**–**	–
Other operating expenses	**96 997**	109 297	**655**	1 200
Short-term leases	**1 437**	1 647	**–**	–
Administration and consultation fees	**22 921**	19 053	**980**	2 347
Auditor's remuneration – Deloitte: External audit	**5 644**	3 388	**–**	–
Auditor's remuneration – Deloitte: Other assurance and related services	**125**	–	**–**	–
Auditor's remuneration – A3ccube: Other assurance and related services	**16**	–	**–**	–
Total operating expenses	**395 874**	370 345	**6 452**	8 907

27. FINANCE INCOME

Finance income comprises interest income on funds invested.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Finance income comprises:				
Financial assets	**16 862**	14 687	**4**	2

Interest was generated from financial assets at amortised cost.

28. FINANCE COSTS

Finance expenses comprise interest expense on borrowings, interest charged by trade payables, interest expense on lease liabilities and amortisation of loan raising fees.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Finance costs included in profit or loss:				
Trade and other payables	**593**	381	**–**	–
Interest on borrowings held at amortised cost	**37 116**	34 712	**–**	–
Group loans[1]	**–**	–	**7 161**	68 557
Lease liabilities	**2 069**	2 400	**–**	–
Other interest paid	**17 713**	9 263	**–**	–
Loan raising fee – amortised	**756**	353	**–**	–
Total finance costs	**58 247**	47 109	**7 161**	68 557

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

29. INCOME TAX EXPENSE/(CREDIT)

Income tax expense for the year comprises current and deferred tax. Income tax expense is recognised in profit or loss.

29.1 Income tax recognised in profit or loss

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Current tax				
Current year	**66**	3 398	**–**	–
Prior periods	**502**	–	**–**	–
Total current tax	**568**	3 398	**–**	–
Deferred tax				
Prior periods	**1 572**	–	**–**	–
Current year	**47 698**	(116 493)	**–**	36
Total deferred tax	**49 270**	(116 493)	**–**	36
Total income tax expense/(credit)	**49 838**	(113 095)	**–**	36

29.2 The income tax for the year can be reconciled to accounting profit/(loss) as follows

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Profit/(loss) before tax from operations	**185 910**	(425 959)	**(7 315)**	(71 058)
Income tax calculated at 27%	**27,00**	(27,00)	**27,00**	27,00
Tax effect of legal fees, fines and penalties (%)	**2,00**	4,73	**0,00**	0,00
Learnership agreements (%)	**(3,68)**	(4,66)	**0,00**	0,00
Assessed loss not recognised (%)	**0,37**	0,38	**(0,57)**	(0,82)
Amortisation of inter-group loans (%)	**0,00**	0,00	**(26,43)**	(26,23)
Prior year under provision (%)	**1,12**	0,00	**0,00**	0,00
Effective tax rate (%)	**26,81**	(26,55)	**0,00**	(0,05)
Taxation related to components of other comprehensive income				
Remeasurement of defined benefit liability	**(435)**	1 339	**–**	–
Revaluation on property, plant and equipment	**–**	(92)	**–**	–
	(435)	1 247		

30. CASH FLOWS FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Profit/(loss) for the year	**136 072**	(312 864)	**(7 315)**	(71 093)
Adjustments for:				
Income tax expense	**49 838**	(113 095)	**–**	36
Finance income	**(16 862)**	(14 687)	**(4)**	(2)
Finance costs	**58 247**	47 109	**7 161**	68 557
Depreciation and amortisation expense	**107 820**	109 754	**–**	–
Impairment losses on property, plant and equipment	**10 122**	9 940	**–**	–
Share-based payment expense: equity-settled	**755**	1 150	**–**	–
Fair value gains and losses	**(254 634)**	382 315	**–**	–
Impairment of trade receivables	**1 773**	(309)	**–**	–
Gains and losses on foreign exchange realised in profit or loss	**(452)**	4 137	**–**	–
Gains and losses on disposal of non-current assets	**(254)**	653	**–**	–
Movement in retirement benefit liabilities	**684**	275	**–**	–
Change in operating assets and liabilities:				
Increase in inventories	**(70 944)**	(20 655)	**–**	–
(Increase)/decrease in trade accounts receivable	**(16 522)**	(24 811)	**–**	2
Decrease/(increase) in other operating receivables	**14 363**	(11 483)	**(85)**	–
Increase/(decrease) in trade accounts payable	**(13 370)**	94 644	**239**	(1 418)
(Decrease)/increase in other operating payables	**21 726**	(22 900)	**–**	–
Decrease in deferred income	**–**	(1 663)	**–**	–
Movement in provisions	**7**	592	**–**	–
Net cash flows from operations	**28 369**	128 102	**(4)**	(3 918)

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

30. CASH FLOWS FROM OPERATING ACTIVITIES continued

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Borrowings				
Opening balance	**393 677**	419 914	**–**	–
Cash flow movement:				
Repayment of borrowings	**(303 798)**	(58 561)	**–**	–
Payment of loan raising fees	**(14 525)**	–		
Proceeds from borrowings	**289 977**	–	**–**	–
Non-cash flow movements:				
Loan raising fee amortisation	**756**	353	**–**	–
New instalment agreements entered into	**95 722**	31 971	**–**	–
Interest accrued	**1 601**	–	**–**	–
Closing balance	**463 410**	393 677	**–**	–
Lease liabilities				
Opening balance	**30 161**	32 131	**–**	–
Cash flow movement:				
Repayment of leases	**(10 306)**	(9 382)	**–**	–
Non-cash flow movements:				
Interest accrued	**2 067**	2 400	**–**	–
Additions to lease liability	**–**	5 012	**–**	–
Closing balance	**21 922**	30 161	**–**	–

31. INCOME TAX PAID

Income tax paid

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Amounts receivable/(payable) at the beginning of the year	**2 771**	(4 380)	**2**	2
Amounts receivable at the end of the year	**(2 668)**	(2 771)	**(2)**	(2)
Taxation (credit)/expense	**(49 838)**	113 095	**–**	–
Less deferred tax included in taxation expense	**49 270**	(116 493)	**–**	–
	(465)	(10 549)	**–**	–

32. SEGMENT INFORMATION

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

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

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

32.1 General information

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

32. SEGMENT INFORMATION continued

32.1 General information continued

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

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

The Group's sales channels target both wholesale and retail markets in South Africa and countries in the SADC and non-SADC regions. Refer to the section on credit risk in note 35 for disclosure on major customers.

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

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

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

In the current year, the results of the Stadsrivier sawmill were aggregated with the Processing segment. In the prior year, the sawmill's results were aggregated with the Agricultural segment.

Transactions between segments are done at arm's length.

32.2 Segment revenues

	GROUP				
	2024				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Revenue: External sales					
– Lumber sales	589 584	262 832	–	–	852 416
– Plywood sales	479 231	153 175	–	–	632 406
– Fruit and nut sales	–	–	–	24 573	24 573
– Chip sales and other revenue	55 568	994	4	92	56 658
– Log sales (external)	–	–	154 194	–	154 194
– Transport income	–	–	3 337	–	3 337
– Income from fruit packed	–	–	–	16 700	16 700
– Treating income	3 261	1 120	–	–	4 381
Revenue: Inter-segment sales	314 715	532	695 300	–	1 010 547
	1 442 359	418 653	852 835	41 365	2 755 212
Revenue by geographical location					
– South Africa	854 273	383 681	157 535	35 314	1 430 803
– SADC	162 992	33 860	–	–	196 852
– International (non-SADC)[1]	110 379	580	–	6 051	117 010
Revenue: Inter-segment sales	314 715	532	695 300	–	1 010 547
	1 442 359	418 653	852 835	41 365	2 755 212

[1] *International sales refer to plywood sales to the United Kingdom, Belgium, Italy, Holland and Germany.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

32. SEGMENT INFORMATION continued

32.2 Segment revenues continued

	GROUP				
	2023				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Revenue: External sales					
– Lumber sales	543 185	259 846	–	20 225	823 256
– Plywood sales	444 664	208 037	–	–	652 701
– Fruit and nut sales	–	–	–	14 655	14 655
– Chip sales and other revenue	35 255	1 365	–	1 814	38 434
– Log sales (external)	–	–	108 700	91	108 791
– Transport income	–	–	3 189	–	3 189
– Income from fruit packed	–	–	–	19 628	19 628
– Treating income	3 890	518	–	–	4 408
Revenue: Inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	563 816	831 368	65 692	2 804 603
Revenue by geographical location					
– South Africa	727 765	441 710	111 889	56 413	1 337 777
– SADC	170 720	28 056	–	–	198 776
– International (non-SADC)[1]	128 509	–	–	–	128 509
Revenue: Inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	563 816	831 368	65 692	2 804 603

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

32.3 Material segment expenses

	GROUP				
	2024				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Depreciation, amortisation and impairment	**(72 576)**	**(9 612)**	**(30 389)**	**(2 708)**	**(115 285)**
Employment cost	**(243 238)**	**(18 387)**	**(86 138)**	**(11 567)**	**(359 330)**
Utilities	**(90 084)**	**(4 059)**	**(3 134)**	**(2 250)**	**(99 527)**
Fuel	**(25 689)**	**(4 106)**	**(30 885)**	**(1 245)**	**(61 925)**
Transport	**(92 138)**	**(8 774)**	**(40 791)**	**(3)**	**(141 706)**
External log purchases[1]	**–**	**–**	**(283 088)**	**–**	**(283 088)**
Insurance[1]	**(25 232)**	**(1 485)**	**(26 220)**	**(2 786)**	**(55 723)**
Purchases: Inter-segment[1]	**(695 441)**	**(314 918)**	**–**	**(3)**	**(1 010 362)**
Reportable segment profit[2]	**42 554**	**5 868**	**45 769**	**552**	**94 743**
Other non-cash item:					
– Fair value adjustment to biological asset included in cost of sales	**–**	**–**	**250 667**	**3 967**	**254 634**

[1] *The segment information for the 2024 and 2023 financial years has been presented in light of the guidance provided by the IFRS® Interpretations Committee's (IFRIC) final agenda decision relating to IFRS 8: Operating Segments on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.*

[2] *Being EBITDA and fair value adjustments on biological assets.*

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

32. SEGMENT INFORMATION continued

32.3 Material segment expenses continued

	GROUP				
	2023				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Depreciation, amortisation and impairment	(70 343)	(9 706)	(29 544)	(2 966)	(112 559)
Employment cost	(211 526)	(16 311)	(76 959)	(21 652)	(326 448)
Utilities	(74 957)	(2 402)	(3 292)	(4 134)	(84 785)
Fuel	(22 265)	(4 685)	(33 959)	(4 157)	(65 066)
Transport[1]	(74 779)	(10 392)	(27 807)	(1 470)	(114 448)
External log purchases[2]	–	–	(240 582)	–	(240 582)
Insurance[2]	(23 138)	(1 402)	(24 727)	(1 664)	(50 931)
Purchases: Inter-segment[2]	(802 459)	(326 011)	–	–	(1 128 470)
Reportable segment profit[3]	64 453	21 113	17 205	2 494	105 265
Other non-cash item:					
– Fair value adjustment to biological asset included in cost of sales	–	–	(385 779)	1 680	(384 099)

[1] *Forestry and Fleet transport expense was corrected from R141 million to R27,8 million and the total transport expense from R227 million to R115 million, due to an inter-segment elimination error.*

[2] *The segment information for the 2024 and 2023 financial years has been presented in light of the guidance provided by the IFRIC final agenda decision relating to the IFRS 8: Operating Segments on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.*

[3] *Being EBITDA and fair value adjustments on biological assets.*

32.4 Segment assets

	GROUP				
	2024				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Property, plant and equipment	**522 464**	**21 654**	**199 204**	**87 977**	**831 299**
Biological assets	**–**	**–**	**2 814 112**	**11 029**	**2 825 141**
Inventory	**198 482**	**67 581**	**44 147**	**4 470**	**314 680**
Capital expenditure	**71 632**	**124**	**67 636**	**5 915**	**145 307**
Total assets	**792 578**	**89 359**	**3 125 099**	**109 391**	**4 116 427**

	GROUP				
	2023				
	Processing R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Property, plant and equipment[1]	422 249	31 254	166 410	99 987	719 900
Biological assets	–	–	2 529 202	7 063	2 536 265
Inventory	148 138	59 226	30 025	6 295	243 684
Capital expenditure	27 204	911	24 731	3 234	56 080
Total assets	597 591	91 391	2 750 368	116 579	3 555 929

[1] *The Wholesale property, plant and equipment balance was corrected from R56 million to R31 million. The total segment property, plant and equipment balance was consequently changed from R745 million to R720 million.*

32.5 Reconciliations

32.5.1 Revenue

	GROUP	
	2024 R'000	2023 R'000
Total revenue for reportable segments	**2 755 212**	2 804 603
Non-reporting segment revenue	**554**	1 232
Elimination of reportable inter–segment revenue	**(1 010 547)**	(1 139 541)
Consolidated revenue	**1 745 219**	1 666 294

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

32. SEGMENT INFORMATION continued

32.5 Reconciliations continued

32.5.2 Operating profit

	GROUP	
	2024 R'000	2023 R'000
Total profit for reportable segments[1]	**94 743**	105 265
Depreciation and amortisation for reportable segment	**(115 285)**	(116 692)
Depreciation and amortisation and impairment for non-reporting segments	**(2 659)**	(3 002)
Non-reporting segments (loss)/profit[1]	**(4 138)**	4 991
Fair value adjustment on biological assets	**254 634**	(384 099)
Operating profit/(loss)	**227 295**	(393 537)

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

Refer to note 35 where sales to the three largest customers are disclosed. Refer also to note 26, where the components of operating profit or loss are disclosed.

33. RELATED PARTIES

33.1 Group companies

Subsidiaries	Agentimber Proprietary Limited
	Global Forest Products Proprietary Limited[1, 2]
	Mbulwa Estates Proprietary Limited
	Madiba Forest Products Proprietary Limited[2]
	Madiba Timbers Proprietary Limited[2]
	Nicholson and Mullin V2 Proprietary Limited[2]
	Sonrach Properties Proprietary Limited
	South African Plywood Proprietary Limited[1, 2]
	Stadsrivier Vallei Proprietary Limited
	York Carbon Proprietary Limited[2]
	York Power (RF) Proprietary Limited[2]
	York Fleet Solutions Proprietary Limited
	York Timbers Proprietary Limited
	York Timbers Energy (RF) Proprietary Limited[2]
	York Timbers Chile Limitada[2]
	York Timbers Zambia Limited[2]
Other related entities	York Timbers Community Proprietary Limited[2]
	York Timber Staff Proprietary Limited[2]

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

[2] *These companies are dormant.*

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

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

33. RELATED PARTIES continued

33.2 Compensation paid to directors

	2024				
Name	**Emoluments R'000**	**Bonus R'000**	**Other benefits[1] R'000**	**Directors' fees R'000**	**Total remuneration R'000**
PS Barnard	**2 932**	**896**	**468**	**–**	**4 296**
AW Brink	**–**	**–**	**–**	**474**	**474**
L Dhlamini	**–**	**–**	**–**	**496**	**496**
HM Mbanyele	**–**	**–**	**–**	**404**	**404**
KM Nyanteh	**–**	**–**	**–**	**556**	**556**
N Siyotula	**–**	**–**	**–**	**955**	**955**
AJ Solomons	**–**	**–**	**–**	**293**	**293**
GCD Stoltz	**3 774**	**–**	**293**	**–**	**4 067**
A Van der Veen	**–**	**–**	**–**	**404**	**404**
A Zetler	**–**	**–**	**–**	**378**	**378**
Total compensation paid to directors and prescribed officers	**6 706**	**896**	**761**	**3 960**	**12 323**

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

	2023				
Name	**Emoluments R'000**	**Bonus R'000**	**Other benefits[1] R'000**	**Directors' fees R'000**	**Total remuneration R'000**
PS Barnard	490	–	226	–	716
AW Brink	–	–	–	663	663
L Dhlamini	–	–	–	644	644
HM Mbanyele	–	–	–	571	571
KM Nyanteh	–	–	–	710	710
N Siyotula	–	–	–	1 563	1 563
AJ Solomons	–	–	–	434	434
GCD Stoltz	4 087	–	392	–	4 479
A Van der Veen	–	–	–	546	546
A Zetler	–	–	–	470	470
Dr AP Jammine	–	–	–	265	265
Total compensation paid to directors and prescribed officers	4 577	–	618	5 866	11 061

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

33. RELATED PARTIES continued

33.3 Related party transactions and balances

	COMPANY		
	York Timbers Proprietary Limited R'000	A2 Investment Partners Proprietary Limited R'000	Total remuneration R'000
Year ended 30 June 2024			
Related party transactions			
Recoveries received	**6 294**	**–**	**6 294**
Finance cost to Group companies	**(7 161)**	**–**	**(7 161)**
Outstanding loan accounts			
Amounts receivable	**1 405 551**	**–**	**1 405 551**
Year ended 30 June 2023			
Related party transactions			
Recoveries received	6 404	–	6 404
Finance cost to Group companies	(68 557)	–	(68 557)
Underwriting fees paid to related party	–	(4 780)	(4 780)
Outstanding loan accounts			
Amounts receivable	1 411 971	–	1 411 971

The directors (A Zetler, A Van der Veen and GCD Stoltz) held 205 256 427 shares (2023: 150 548 373 shares directly and indirectly) in York Timber Holdings Limited.

34. CAPITAL MANAGEMENT

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

The capital structure of the Group and Company consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents disclosed in note 13 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group and Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure and gearing ratio are managed at Group level. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio percentage.

The Group's loans with FMO are subject to covenants, whereby the Group is required to meet certain key financial ratios that are measured quarterly, on a rolling 12-month basis. The Group met all covenants as at 30 June 2024.

The following covenants are required:

	GROUP		
Financial covenant	**Required ratio**	**Actual ratio**	**Compliance**
Current cover ratio	> 1,5	2,2	Yes
Solvency ratio	> 45%	63%	Yes
Net debt-to-EBITDA ratio	< 5,5	5	Yes

	GROUP	
	2024 R'000	**2023 R'000**
Borrowings payable within one year	**118 287**	156 302
Borrowings repayable after one year	**345 123**	237 375
Lease liabilities	**21 924**	30 161
Cash and cash equivalents	**(56 939)**	(191 916)
Net debt	**428 395**	231 922
Equity	**2 820 001**	2 682 931
Gearing ratio (%)	**15**	9

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT

Overview

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

- Market risk {currency risk, interest rate risk and price risk};
- Credit risk; and
- Liquidity risk.

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

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

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

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

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

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

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

35.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group and Company's income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

35.1.1 Foreign exchange risk

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

The Group sells to foreign customers in USD and Euro and collects the money in the USD and Euro-denominated bank account. Future commitments as well as recognised assets and liabilities that are denominated in a currency that is not the functional currency expose the Group to currency risks. Most of the Group's purchases are denominated in South African Rand. However, certain engineering machinery and equipment were purchased and plywood products imported denominated in USD, Euro and British Pound (GBP) during the year. This exposed the Group to changes in the foreign exchange rates. Sales denominated in foreign currency provide a natural hedge to purchases denominated in foreign currency. In the current year, the Group realised foreign exchange profit of R5 thousand (2023: loss of R4,1 million).

The Group's cash deposits are all denominated in South African Rand, USD and Euro.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in South African Rand, was as follows:

	GROUP			
	2024			
	USD exposure	Euro exposure	Canadian Dollar (CAD) exposure	GBP exposure
Trade receivables	136	146	–	–
Trade payables	(6)	(458)	–	(5)
Cash and cash equivalents	277	41	–	–

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT continued

35.1 Market risk continued

35.1.1 Foreign exchange risk continued

Exposure continued

	GROUP			
	2023			
	USD exposure	Euro exposure	CAD exposure	GBP exposure
Trade receivables	67	77	–	–
Trade payables	(59)	(156)	(3)	–
Cash and cash equivalents	1 023	293	–	–

Sensitivity

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower than the actual rate.

	GROUP	
	Impact on post-tax profit	
	2024 R'000	2023 R'000
South African Rand	**20**	238

35.1.2 Cash flow and fair value interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

Exposure

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company does not have a policy to hedge long-term interest rate risk. All debt is carried at variable interest rates.

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

Sensitivity

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

	GROUP	
	Impact on post-tax profit	
	2024 R'000	2023 R'000
Borrowings	**3 581**	3 806
Taxation	**(967)**	(1 028)

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT continued

35.2 Credit risk

Exposure is as follows:

	GROUP			
	2024		2023	
	Gross carrying amount R'000	Amortised cost R'000	Gross carrying amount R'000	Amortised cost R'000
Other financial assets at amortised cost	**132 558**	**132 558**	133 005	133 005
Trade and other receivables	**228 328**	**219 698**	213 509	206 266
Cash and cash equivalents	**56 939**	**56 939**	191 916	191 916
	417 825	**409 195**	538 430	531 187

	COMPANY			
	2024		2023	
	Gross carrying amount R'000	Amortised cost R'000	Gross carrying amount R'000	Amortised cost R'000
Loan to Group company	**1 405 551**	**1 405 551**	1 411 971	1 411 971
Trade and other receivables	**178**	**–**	178	–
Cash and cash equivalents	**1**	**1**	1	1
	1 405 730	**1 405 552**	1 412 150	1 411 972

35.2.1 Risk management

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

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

Credit guarantee insurance is purchased from CGIC. The total credit limit guaranteed by CGIC is R100 million, with a deductible annual aggregate of R0,5 million.

Trade receivables comprise a widespread customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 26% (2023: 26%) of the Group's revenue is attributable to sales transactions with three (2023: three) multinational customers. The outstanding balance on these customers was approximately 24% (2023: 26%) of the trade receivables balance. These are customers of the Processing and Wholesale divisions. Refer to the below table for the percentage of sales to the three multinational customers.

	GROUP	
	2024 %	2023 %
Customer		
A	**11**	12
B	**8**	6
C	**7**	8
	26	26

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

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT continued

35.2 Credit risk continued

35.2.1 Risk management continued

	Credit rating of financial institution	GROUP Net cash equivalents and other financial assets at amortised cost 2024 R'000	2023 R'000
FirstRand Bank Limited	BBB-	**37 423**	29 342
Absa Bank Limited	AA+	**19 382**	89 777
The Hollard Insurance Group Limited (self-insurance fund)	AA	**132 558**	133 005
		189 363	252 124

35.2.2 Impairment of financial assets

Trade receivables and contract assets

The Group and Company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

A 0,3% to 2,41% (2023: 0,25% to 2,52%) credit loss ratio is applied to current up to 60 days debtors, taking into account the historical payment profile and adjusted for macro-economic factors such as the inflation rate and economic outlook. Included in the credit loss ratio is an additional loss ratio of 0,30% (2023: 0,20%) applied to take account of the future economic uncertainty. A default loss ratio of 20% (2023: 20%) was applied to debtors aged over 90 days if they are covered by credit insurance. Debtors not covered by credit insurance are reviewed on an individual basis based on historical transactions and communication to determine the expected credit loss.

On this basis, the loss allowance was determined as follows for trade receivables:

	GROUP Current R'000	30 days past due R'000	60 days past due R'000	90 days past due R'000	Total
30 June 2024					
Gross carrying amount – trade receivables	**138 577**	**44 970**	**12 666**	**13 386**	**209 599**
Loss allowance	**(3 287)**	**(1 052)**	**(293)**	**(3 998)**	**(8 630)**
30 June 2023					
Gross carrying amount – trade receivables	128 427	48 973	8 654	7 408	193 462
Loss allowance	(2 753)	(1 070)	(233)	(3 187)	(7 243)

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT continued

35.2 Credit risk continued

35.2.2 Impairment of financial assets continued

Trade receivables and contract assets continued

	COMPANY				
	Current R'000	30 days past due R'000	60 days past due R'000	90 days past due R'000	Total
30 June 2024					
Gross carrying amount – trade receivables	**–**	**–**	**–**	**178**	**178**
Loss allowance	**–**	**–**	**–**	**(178)**	**(178)**
30 June 2023					
Gross carrying amount – trade receivables	–	–	–	178	178
Loss allowance	–	–	–	(178)	(178)

35.3 Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting their obligations associated with their financial liabilities that are settled by delivering cash or other financial assets. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate level of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group and Company's liquidity risk is a function of the funds available to cover future commitments. The Group and Company manage liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are maintained and monitored.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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

	GROUP			
	2024		2023	
	Facility R'000	Utilised R'000	Facility R'000	Utilised R'000
Absa IMX facility	**150 000**	**83 622**	150 000	72 645
Guarantees	**6 000**	**–**	6 000	–
Letters of credit	**1 000**	**–**	1 000	–
Guarantees to Eskom Holdings Limited	**708**	**–**	3 334	–
Forward exchange contracts	**1 000**	**–**	1 000	–
Foreign exchange settlement limit	**5 000**	**–**	5 000	–
Absa asset and vehicle finance facility	**90 000**	**83 042**	90 000	51 229
Daimler asset and vehicle finance facility	**50 000**	**25 905**	50 000	8 865
FMO facility	**350 000**	**280 776**	–	–

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

35. FINANCIAL RISK MANAGEMENT continued

35.3 Liquidity risk continued

35.3.1 Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	GROUP						
Contractual maturities of financial liabilities	**Less than 6 months R'000**	**Between 6 months and 1 year R'000**	**Between 1 and 2 years R'000**	**Between 2 and 5 years R'000**	**Over 5 years R'000**	**Total contractual cash flows R'000**	**Carrying amount R'000**
Year ended 30 June 2024							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (note 20)	**318 375**	**–**	**–**	**–**	**–**	**318 375**	**318 375**
Borrowings (note 17)	**17 125**	**17 268**	**34 624**	**258 157**	**151 464**	**478 638**	**379 788**
Lease liabilities (note 18)	**5 347**	**5 008**	**8 936**	**4 827**	**–**	**24 118**	**21 924**
Instalment sale agreements (note 17)	**23 205**	**20 588**	**38 586**	**50 830**	**–**	**133 209**	**83 622**
Total non-derivatives	**364 052**	**42 864**	**82 146**	**313 814**	**151 464**	**954 340**	**803 709**
Year ended 30 June 2023							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (note 20)	310 990	–	–	–	–	310 990	310 990
Borrowings (note 17)	116 009	43 396	86 222	145 687	–	391 314	393 677
Lease liabilities (note 18)	4 986	5 312	10 355	13 158	–	33 811	30 161
Instalment sale agreements (note 17)	15 934	13 542	22 444	19 788	–	71 708	72 645
Total non-derivatives	447 919	62 250	119 021	178 633	–	807 823	807 473

	COMPANY						
Contractual maturities of financial liabilities	**Less than 6 months R'000**	**Between 6 months and 1 year R'000**	**Between 1 and 2 years R'000**	**Between 2 and 5 years R'000**	**Over 5 years R'000**	**Total contractual cash flows R'000**	**Carrying amount R'000**
Year ended 30 June 2024							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (note 20)	**1 967**	**–**	**–**	**–**	**–**	**1 967**	**1 967**
Year ended 30 June 2023							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (note 20)	233	–	–	–	–	233	233

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

36. EVENTS AFTER THE REPORTING DATE

Non-adjusting events

As announced to the market during the year, the Group entered into a sale and purchase agreement for the purchase of the Stevens Lumber plantations (Wolkberg and Schultz) for a total of R75 million.

As announced on SENS on 21 August 2024, the purchase of the Wolkberg plantation was terminated due to the plantation being destroyed by a fire. However, the acquisition of the Schultz plantation for R41,3 million, that was part of the original acquisition, will go ahead subject to financing.

Working capital facilities with Absa Bank were renewed during September 2024, with an increase in the IMX facility from R150 million to R175 million. A R250 million guarantee was issued to Absa Bank by Stadsrivier Vallei Proprietary Limited as security.

37. GOING CONCERN

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

The Group successfully refinanced its debt with Land Bank and Absa Capital (Stadsrivier Vallei Proprietary Limited) with a R350 million facility from FMO. The Group is in compliance with the covenants imposed under the facility as at 30 June 2024 and is expected to be in compliance for the 2025 year based on the 2025 budget. Working capital facilities with Absa were renewed after year-end and both asset-backed financing facilities with Absa and Daimler remain in place.

The Group's strategy to increase the rotation period of its plantations has constrained the Group's liquidity. In the current year, R283 million was spent on external log purchases. The Group has the flexibility to harvest its own plantations instead of procuring logs externally to improve liquidity.

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

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

38. EARNINGS PER SHARE

38.1 Basic earnings per share

The bonus element of the share-based payment did not have a dilutive effect, due to rounding on the shares (2023: did not have a dilutive effect).

	GROUP		COMPANY	
	2024 cents	**2023 cents**	**2024 cents**	**2023 cents**
Basic earnings/(loss)	**29**	(77)	**(2)**	(17)

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:				
Profit/(loss) for the year attributable to owners of the Company for continuing operations (R'000)	**136 072**	(312 864)	**(7 315)**	(71 094)
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	**463 753**	320 859	**474 098**	331 241
Adjusted for:				
Bonus element from rights issue ('000)	**–**	23 580	**–**	23 580
Rights offer shares issued for value ('000)	**–**	59 638	**–**	59 638
Total weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	**463 753**	404 077	**474 098**	414 459

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

38. EARNINGS PER SHARE continued

38.2 Diluted earnings per share

	GROUP		COMPANY	
	2024 cents	2023 cents	2024 cents	2023 cents
Diluted basic earnings/(loss)	**29**	(77)	**(2)**	(17)

	GROUP		COMPANY	
	2024	2023	2024	2023
The earnings used in the calculation of diluted earnings per share are as follows:				
Earnings/(loss) used in the calculation of basic earnings per share for continuing operations (R'000)	**136 072**	(312 864)	**(7 315)**	(71 094)
The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:				
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	**463 753**	404 077	**474 098**	414 459
Adjusted for:				
Bonus element of share-based payment ('000)	**1 025**	762	**1 025**	762
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	**464 778**	404 839	**475 123**	415 221

38.3 Headline earnings per share[1]

The bonus element of the share-based payment did not have a dilutive effect, due to rounding on the shares (2023: did not have a dilutive effect).

[1] *This is a non-IFRS Accounting Standards measure.*

	GROUP		COMPANY	
	2024 cents	2023 cents	2024 cents	2023 cents
Headline earnings/(loss) per share	**30**	(76)	**(2)**	(17)
Diluted headline earnings/(loss) per share	**30**	(76)	**(2)**	(17)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:				
Profit/(loss) for the year attributable to owners of the Company for continuing operations	**136 072**	(312 864)	**(7 315)**	(71 094)
(Gains)/loss on sale of assets	**(254)**	652	**–**	–
Tax on loss on sale of assets	**69**	(176)	**–**	–
Impairment of property, plant and equipment	**10 123**	9 941	**–**	–
Tax on impairment of property, plant and equipment	**(2 733)**	(2 684)	**–**	–
Fair value adjustment on investment property	**–**	(1 784)	**–**	–
Tax on fair value adjustment on investment property	**–**	482		
Insurance payouts from loss of assets	**(4 975)**	(322)		
Tax on insurance payouts from loss of assets	**1 343**	87	**–**	–
Earnings/(loss) used in the calculation of headline earnings/(loss) per share for continuing operations	**139 645**	(306 668)	**(7 315)**	(71 094)

NOTES AND ACCOUNTING POLICIES TO THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

38. EARNINGS PER SHARE continued

38.4 Core earnings/(loss) per share[1]

The bonus element of the share-based payment did not have a dilutive effect, due to rounding on the shares (2023: did not have a dilutive effect).

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

	GROUP		COMPANY	
	2024 cents	2023 cents	2024 cents	2023 cents
Core loss per share (cents)	**(11)**	(8)	**(2)**	(17)
Diluted core loss per share (cents)	**(11)**	(8)	**(2)**	(17)

The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:

Core earnings per share are as follows:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Profit/(loss) for the year attributable to owners of the Company for continuing operations	**136 072**	(312 864)	**(7 315)**	(71 094)
Fair value adjustment on biological assets	**(254 634)**	384 099		
Tax on fair value adjustment on biological assets	**68 751**	(103 707)	**–**	–
Earnings/(loss) used in the calculation of headline earnings/(loss) per share for continuing operations	**(49 811)**	(32 472)	**(7 315)**	(71 094)

39. PRIOR PERIOD ERROR

The other financial asset as per note 9 relates to two contingency insurance policies of which one automatically renews at the end of each policy year. At renewal, the invested funds are automatically reinvested for the following policy year. However, these funds are available to the Group should they be required for funding needs. As such, this portion of the fund should be classified as a current asset. In the prior year, the total contingency fund was classified as a non-current asset. The correction resulted in the prior year non-current assets reducing by R54,9 million and current assets increasing by the same amount.

	Balance previously stated R'000	Restatement R'000	Balance restated R'000
Non-current assets			
Other financial assets at amortised cost	133 005	(54 873)	78 132
Total non-current assets	3 252 229	(54 873)	3 197 356
Current assets			
Other financial assets at amortised cost	–	54 873	54 873
Total current assets	988 578	54 873	1 043 451

COMPANY INFORMATION

YORK TIMBER HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 1916/004890/06
JSE share code: YRK
ISIN: ZAE000133450
(**York**, the **Company** or the **Group**)

TAX REFERENCE NUMBER
9225/039/71/9

COUNTRY OF INCORPORATION AND DOMICILE
South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES
Operation of plantations, sawmills, a plywood plant and wholesale lumber sales

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

Non-executive directors
Nonzukiso Siyotula[1] *(Chairperson)*
Maxwell Nyanteh[1]
Hetisani Mbanyele[1]
Andries Brink[1]
Lindani Dhlamini[1]
André Van der Veen
Alton Solomons
Adrian Zetler

[1] *Independent*

REGISTERED OFFICE
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3 Main Road, Sabie, 1260
Mpumalanga, South Africa

Postal address
PO Box 1191, Sabie, 1260
Mpumalanga, South Africa

AUDITOR
Deloitte & Touche
Chartered Accountants (SA)
Registered Auditors

COMPANY SECRETARY
Kilgetty Statutory Services
(South Africa) Proprietary Limited

SPONSOR
One Capital Sponsor Services
Proprietary Limited

TRANSFER SECRETARIES
Computershare Investor Services
Proprietary Limited

www.york.co.za

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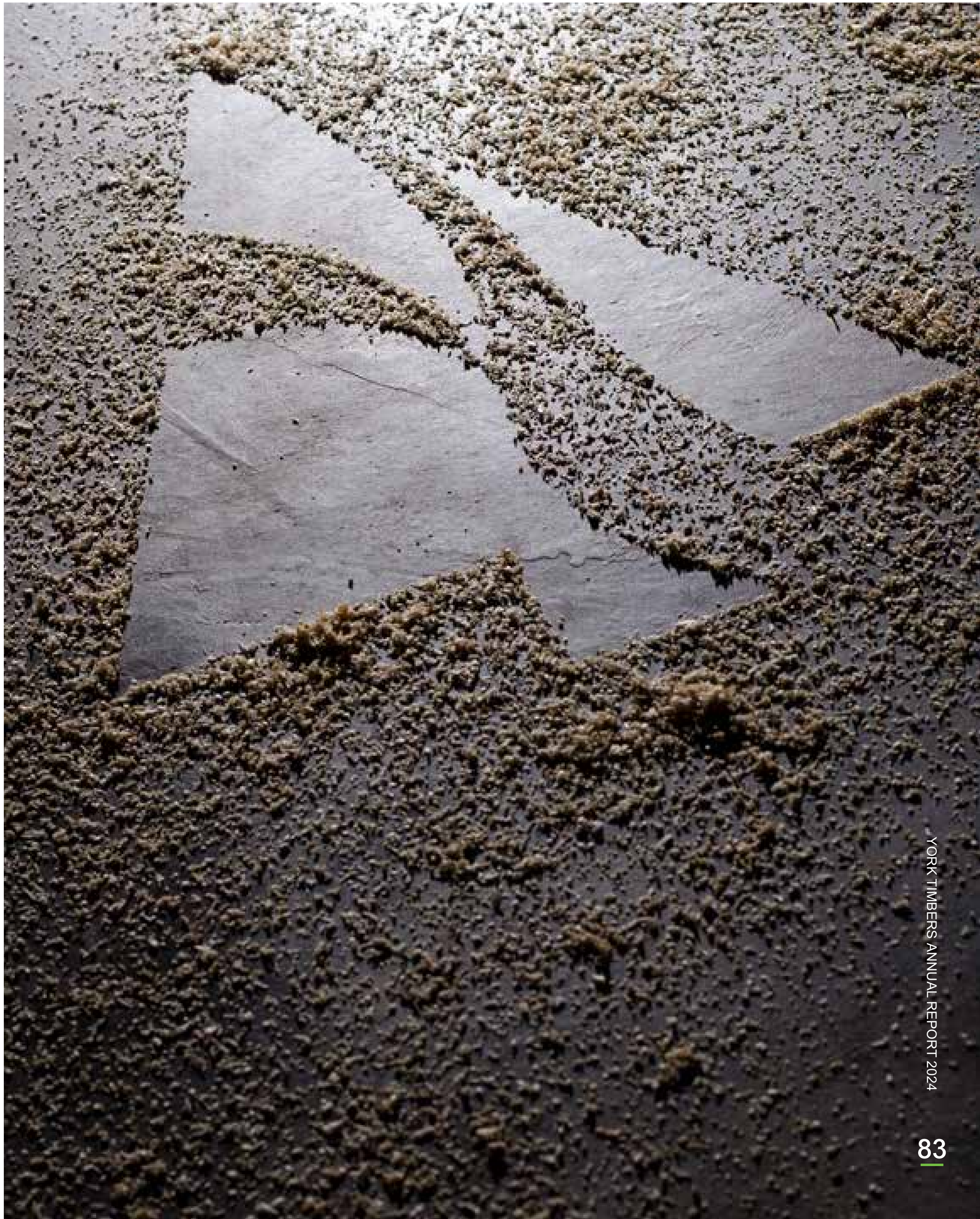

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