STRONG RELIABLE MACHINES
STRONG RELIABLE SUPPORT

2022

BELL EQUIPMENT LIMITED

SUMMARISED AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AND DIVIDEND DECLARATION

Joint report by the chairman and chief executive

Overview

Overall, 2022 was a pleasing year for the Bell Equipment Group characterised by our solid performance in the face of multifarious challenges. The way in which the team worked together and the resilience that was shown enabled us to end the year ahead of budget and substantially up on the previous year.

As reported in our interim statement, increased demand for commodities, country-specific post-COVID-19 stimulus packages, and increased infrastructure spending in several markets drove demand for ADTs. However, the conflict between Russia and the Ukraine since February 2022 caused ongoing supply chain constraints following on the lingering effects of COVID-19. This resulted in the group having to cut back on production and prevented us from fully capitalising on the market conditions.

To mitigate supply chain challenges high-risk suppliers were closely managed and supply continuity interventions were put in place. These included, among others, the interplant movement of parts to minimise line stoppages, production sequence changes to meet shipping plans and the implementation of alternate supply lines where feasible.

An improvement in the supply chain in the last quarter of the year meant that production could be caught up and product invoiced and delivered to customers by the end of 2022 to finish the year stronger than in the first half of the year.

In addition to supply chain constraints, 2022 saw soaring fuel prices, unprecedented levels of inflation and interest rates, record load shedding, and floods in KwaZulu-Natal in April that caused logistics challenges. In general, we experienced a reduced frequency of vessels, which increased the need to use significantly more expensive air freight.

Eskom’s long-term implementation of extended load shedding during 2022 had far-reaching effects on the group, our local suppliers, and customers. Besides the disruptive impact on business, the mitigation action of running generators significantly increased the cost of doing business in South Africa. Power interruptions and changeovers also increase the risk of equipment being damaged, especially electrical switching and electronic equipment.

Expectations are that South Africa will experience between 200 and 250 days of load shedding in 2023, predominantly at stage 4. The group is therefore investigating increasing manufacturing in its German factory, sourcing of fabrications from outside of South Africa, as well as a grid-tied solar system for the Richards Bay factory.

Financial

The group improved significantly on the 2021 results with profit after tax increasing by 63% to R478,9 million (2021: R294,3 million). Strong market conditions resulted in all regions outperforming their sales volume budgets, except for Europe, which had an exceptionally high budget considering the actual volume sold into this market in the last five years. Group sales were up by 28% on 2021 largely due to an improvement in the supply chain in the last quarter that meant that production could be caught up and products invoiced and delivered to customers by year end. Higher production volumes resulted in an increase in labour and overheads recovered, positively impacting the bottom line.

In addition to freight and load shedding expenses already mentioned, other notable expenses include increased electricity charges due to higher production and electricity tariff increases.

Group inventory increased by R1,1 billion (31%) from December 2021 to R4,8 billion at the end of 2022 and inventory days ended the year at 210 days compared with 204 days at the end of 2021. Considering the increase in sales in 2022 and the substantial further increase in volumes planned for 2023, this is an acceptable level. Likewise, borrowings remain stable and within acceptable levels.

Operations and product development

South Africa experienced a positive year with favourable commodity prices fuelling demand in the mining industry. Construction was flat, however the building industry rallied and the demand for backhoe loaders and smaller equipment increased as a result.

The JCB product line is proving to be extremely complementary to our South African offering by enabling BESSA to be more active in market segments where we struggled previously. The market has reacted positively to the group taking over the distribution and support for this great product range.

To overcome shortages of partner products, especially Finlay and Kobelco, the group implemented effective changes in point of source to alleviate long lead times and improve availability.

In our major international markets of the US and UK demand was strong despite high levels of inflation, increased interest rates and soaring energy costs. Australia and New Zealand also maintained a high demand for ADTs.

Our OEM business was restructured into three distinct divisions: Mining and Construction, Forestry and Agriculture, and Underground Mining to provide a more dedicated focus on product lines, distribution, and support going forward.

In South Africa, we started distributing JCB Agriculture alongside the Bell Forestry and Agriculture range in May. Over a dozen independent dealers have been appointed as part of our strategy to grow our exposure in these industries through increased products and improved service.

Underground mining has been identified as another opportunity for growth and the new OEM business division is pursuing this goal with a focus on expanding the product range, providing specialised customer support, and establishing new global markets.

The group’s two underground articulated dump truck models and a rock scaler have been well accepted in existing African markets for their in-built levels of safety, use of the latest technology and economical productivity. This range will be expanded to include a 6t low profile Load Haul Dump (LHD) loader.

In a significant step to grow the group’s South African IP, increase its manufactured product offering and expand global markets, Bell decided to enter the motor grader market.

Motor graders are complementary to the group's flagship ADT product as a core earthmoving product. There are a number of shared markets and dealer distribution channels. Significant design complexity as well as developing to the needs of the operator are key for this product line and the group has demonstrated ability to achieve these.

The first generation of this product range is undergoing final testing and refinement with production set to begin as early as Q4 2024.

Three base machines will initially be offered, each with the option of a four- or six-wheel drive configuration. The G140 will cater for maintenance and light construction tasks while the G160, with its increased power and performance, is designed to handle heavy construction applications. The G200 is positioned as an entry-level machine for the mining industry.

The Tracked Carrier was successfully shown at Bauma Munich in October 2022 and will be introduced to Europe once final homologations have been completed. Customers in other regions have also shown interest in this product.

Four years after commencing extensive testing, our autonomous technology is now at the adoption stage with customers in the United Kingdom, South America, and Australia set to introduce autonomous Bell ADTs on their worksites during 2023.

Bell currently has two approved service providers, xtonomy based in Europe and Pronto AI in the United States, both of which can work with Bell customers from anywhere in the world. A third supplier has recently been engaged and the group will begin testing this system during 2023.

Sustainability

Our future sustainability is dependent on our investment in IP to stay relevant and at the cutting edge of technology and market needs. Driven by our innate passion for innovation, we are investing in exciting new products as detailed.

To facilitate future growth and development of the group as a global manufacturer, Bell entered a 10-year property lease for a property adjoining its Richards Bay factory, which houses a new warehouse. A seven-year lease agreement was also concluded for a portion of the neighbouring property in Kindel, Germany.

Corporate Governance

Our commitment to being a good corporate citizen pervades our total approach to the business and we endeavour to act in a responsible, ethical, balanced and commercially sensible manner.

We are ever conscious of the impact on the environment and are pleased with our continued progress, as detailed in our stakeholder relations report, to measure and mitigate these risks.

Bell is committed to the highest standards of corporate governance. Details of governance structures and the extent to which we apply relevant principles of corporate governance, including King IV™ and regulatory requirements, are provided in this report.

Transformation

In line with our commitment to our transformation responsibilities, BECSA and BESSA are both 51% black-owned entities. At the same time, BESSA is 30% black women-owned. With their respective level 3 and level 1 B-BBEE scorecards, the group is competitively positioned in the local market.

This has been beneficial in assisting emerging contractors in the mining industry and in time will assist with taking advantage of opportunities in the public sector presented by RT57 contracts.
Importantly the score also secures access to government-backed initiatives. Bell has valued the support from the government in terms of the APDP, a production incentive scheme administered by DTIC. The APDP was replaced, effective 1 July 2021, by a revised programme, APDP II. Bell was successful in its application for access to this new scheme, which, like the APDP, is also a production incentive aimed at promoting employment and value add in the motor industry but has additional requirements, mainly in terms of B-BBEE. The programme will remain in place until 2035.

APDP II income in 2022 totalled R144 million, up from R91 million in 2021 due to higher production volumes and the more favourable APDP II.

We continue to engage with the government at various levels to encourage a better understanding of the assistance they can provide through implemented policy to help us grow and to support the local economy.

Outlook

From a production perspective, our volume outlook for 2023 is strong with the potential to be a record year for our E-series ADTs, especially since work in progress has normalised and supply chain issues should not be a major constraint, especially in the second half of 2023.

The order book is being maintained at record levels and the group is taking orders for 2024. Finished goods inventory levels are low for current demand and are expected to remain low due to the strong order book. Sales divisions report missed opportunities due to low stock levels.

In South Africa, we anticipate some improvement in the construction industry as the recent SANRAL awards have created optimism and are positive for the country.

We will continue to engage and work with the government, however, the cost and ability to do business in South Africa is a serious concern. The accumulative effect of the challenges that local businesses must grapple with needs to be weighed up when considering strategies for long-term sustainability. These include exchange rate volatility, fuel prices, rising inflation and interest rates, escalating electricity tariffs, a severely encumbered national electricity provider, growing structural challenges around water and sanitation, and road infrastructure and port inefficiencies that frustrate logistics.

At the same time, Europe and the US have started 2023 strong, but the group needs to exercise caution given the banking crisis in the US and macroeconomic indicators, most notably subdued economic activity and high inflation levels and interest rates, signalling possible recession.

Joint report by the chairman and chief executive *continued*

Dividends
Recognising the improvement in the financial results the board has declared a gross final dividend of 90 cents per ordinary share.

Board Changes
To recap on changes effected on 16 February 2022, which were reported in last year's report, John Barton resigned from the board as a non-executive director, lead independent director, chairman and member of the nominations committee, and as member of the remuneration committee, audit committee and risk and sustainability committee.

In response, Hennie van der Merwe was appointed as the lead independent non-executive director and chairman of the nominations committee, Mamokete Ramathe was appointed as a member of the nominations committee, and Rajendran Naidu was appointed as a member of the remuneration committee.

Furthermore, the board appointed two independent non-executive directors, Usha Maharaj and Markus Geyer, with effect from 1 April 2022. They were subsequently elected as directors by the shareholders at the AGM in May 2022.

Appreciation
In closing, we are grateful to our executive management for their valuable role in leading and motivating our employees during a taxing year and give sincere thanks to the entire Bell team worldwide for their commendable resilience and commitment. We appreciate the effort and sacrifices that are made for the greater good of the group.

We continue to be impressed by the level of skills, knowledge, loyalty, and energy that we have in our operations worldwide. Guided by our strategies and 1-BELL values, this bodes well for the continued growth and sustainability of the business.

A special thank you to the board for their professional involvement in the group's affairs, generously giving of their time and expertise.

Last, but certainly not least, we are indebted to our customer base and network of dealers across the world. Thank you for putting your faith and loyalty into the Bell brand. You are the driving force behind everything we do.

Independent auditor's report on summarised financial statements

to the shareholders of Bell Equipment Limited

Opinion

The summary consolidated financial statements of Bell Equipment Limited, which comprise the summary consolidated statement of financial position as at 31 December 2022, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Bell Equipment Limited for the year ended 31 December 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Bell Equipment Limited, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Bell Equipment Limited and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 31 March 2023.

That report also includes:

- The communication of the other key audit matter as reported in the auditor's report of the audited financial statements.
- A "Report on Other Legal and Regulatory Requirements" paragraph: *In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of Bell Equipment Limited for 29 years.*

Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche
Registered Auditor
Per: Andrew Kilpatrick CA(SA); RA
Partner
31 March 2023

Summarised consolidated statement of financial position

as at 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
ASSETS		
Non-current assets	**1 894 149**	1 792 903
Property, plant and equipment	**944 480**	918 968
Right-of-use assets	**367 902**	250 966
Intangible assets	**260 225**	282 236
Investments	**62 935**	58 717
Interest-bearing receivables and contract assets	**44 187**	50 421
Deferred taxation	**214 420**	231 595
Current assets	**6 756 576**	5 131 104
Inventory *	**4 751 990**	3 624 452
Trade and other receivables	**1 278 094**	1 023 122
Interest-bearing receivables and contract assets	**231 242**	218 328
Other assets	**231 222**	78 558
Current taxation assets	**35 428**	30 312
Cash and bank balances	**228 600**	156 332
TOTAL ASSETS	**8 650 725**	6 924 007
EQUITY AND LIABILITIES		
Capital and reserves	**4 365 208**	3 861 733
Stated capital (note 7)	**235 541**	235 541
Non-distributable reserves	**1 008 484**	940 673
Retained earnings	**3 076 317**	2 661 457
Attributable to owners of Bell Equipment Limited	**4 320 342**	3 837 671
Non-controlling interest	**44 866**	24 062
Non-current liabilities	**870 682**	681 418
Interest-bearing liabilities *	**193 069**	175 838
Lease liabilities	**388 943**	266 731
Contract liabilities (note 13)	**116 159**	98 357
Refund liabilities (note 14)	**4 357**	11 986
Provisions	**78 254**	45 383
Other liabilities	**19 270**	10 031
Deferred taxation	**70 630**	73 092
Current liabilities	**3 414 835**	2 380 856
Trade and other payables	**1 627 003**	1 215 273
Interest-bearing liabilities *	**652 054**	202 806
Lease liabilities	**50 284**	42 800
Contract liabilities (note 13)	**319 894**	243 832
Refund liabilities (note 14)	**34 149**	51 693
Provisions	**142 482**	111 113
Other liabilities	**10 683**	8 076
Current taxation liabilities	**46 923**	31 929
Bank overdrafts and borrowings on call	**531 363**	473 334
TOTAL EQUITY AND LIABILITIES	**8 650 725**	6 924 007

* The increase in inventory and interest-bearing liabilities is mainly due to higher customer demand which resulted in higher levels of components, work in progress and finished goods inventory.

Summarised consolidated statement of profit or loss

for the year ended 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
Revenue (note 2)	**10 276 220**	8 017 125
Cost of sales	**(8 244 734)**	(6 473 383)
Gross profit	**2 031 486**	1 543 742
Other operating income	**260 134**	184 960
Distribution costs	**(811 947)**	(670 069)
Administration expenses	**(114 851)**	(106 643)
Factory operating expenses *	**(659 634)**	(548 268)
Profit from operating activities (note 3)	**705 188**	403 722
Interest expense (note 4)	**(136 977)**	(96 388)
Interest income (note 5)	**77 512**	62 276
Profit before taxation	**645 723**	369 610
Taxation	**(166 872)**	(75 344)
Profit for the year	**478 851**	294 266
Profit for the year attributable to:		
- Owners of Bell Equipment Limited	**456 846**	286 770
- Non-controlling interest	**22 005**	7 496
Earnings per share (basic)(cents) (note 6)	**478**	300
Earnings per share (diluted)(cents) (note 6)	**357**	260

* Included in factory operating expenses are costs in respect of both the factory and group services operations.

Summarised consolidated statement of other comprehensive income

for the year ended 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
Profit for the year	**478 851**	294 266
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising during the year	**25 659**	40 028
Exchange differences on translating foreign operations	**31 008**	40 028
Reclassification to profit or loss of foreign currency translation reserve on deregistered operations	**(5 349)**	-
Items that may not be reclassified subsequently to profit or loss:	**47 797**	23 850
Surplus arising on revaluation of properties	**58 051**	-
Taxation relating to revaluation of properties	**(13 223)**	-
Fair value gain on investments designated as at fair value through other comprehensive income *	**2 969**	23 850
Other comprehensive income for the year, net of taxation	**73 456**	63 878
Total comprehensive income for the year	**552 307**	358 144
Total comprehensive income attributable to:		
- Owners of Bell Equipment Limited	**530 302**	350 648
- Non-controlling interest	**22 005**	7 496

* There were no corresponding tax implications on fair value gain on investments designated as at fair value through other comprehensive income.

Summarised consolidated statement of cash flows

for the year ended 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
Cash generated from operations before working capital changes	**1 131 187**	790 120
Cash utilised in working capital	**(1 157 295)**	(132 650)
Cash (utilised in) generated from operations	**(26 108)**	657 470
Interest paid	**(122 173)**	(97 705)
Interest received	**89 816**	60 460
Taxation paid	**(157 839)**	(26 361)
Net cash (utilised in) generated from operating activities	**(216 304)**	593 864
Purchase of property, plant and equipment and intangible assets	**(130 740)**	(103 651)
Proceeds on disposal of property, plant and equipment	**5 008**	13 221
Proceeds on disposal of listed investments	**3 455**	-
Net cash utilised in investing activities	**(122 277)**	(90 430)
Interest-bearing liabilities raised	**1 245 231**	322 464
Interest-bearing liabilities repaid	**(795 665)**	(690 529)
Lease liabilities repaid	**(47 914)**	(53 541)
Dividends paid	**(48 832)**	(189)
Net cash generated from (utilised in) financing activities	**352 820**	(421 795)
Net increase in cash for the year	**14 239**	81 639
Net bank overdrafts and borrowings on call at beginning of the year	**(317 002)**	(398 641)
Net bank overdrafts and borrowings on call at end of the year *	**(302 763)**	(317 002)
*** Comprising:**		
Cash and bank balances	**228 600**	156 332
Bank overdrafts and borrowings on call	**(531 363)**	(473 334)
Net bank overdrafts and borrowings on call at end of the year	**(302 763)**	(317 002)

Summarised consolidated statement of changes in equity

for the year ended 31 December 2022

	Audited					
	Attributable to owners of Bell Equipment Limited					
	Stated capital R'000	Non-distributable reserves R'000	Retained earnings R'000	Total R'000	Non-controlling interest R'000	Total capital and reserves R'000
Balance at 1 January 2021	235 541	891 355	2 360 316	3 487 212	16 566	3 503 778
Total comprehensive income attributable to owners of Bell Equipment Limited	-	63 878	286 770	350 648	-	350 648
Total comprehensive income attributable to non-controlling interest	-	-	-	-	7 496	7 496
Decrease in statutory reserves of foreign subsidiaries	-	(9 979)	9 979	-	-	-
Decrease in equity-settled employee benefits reserve	-	(4 581)	4 581	-	-	-
Dividends paid	-	-	(189)	(189)	-	(189)
Balance at 31 December 2021	**235 541**	**940 673**	**2 661 457**	**3 837 671**	**24 062**	**3 861 733**
Total comprehensive income attributable to owners of Bell Equipment Limited	**-**	**73 456**	**456 846**	**530 302**	**-**	**530 302**
Total comprehensive income attributable to non-controlling interest	**-**	**-**	**-**	**-**	**22 005**	**22 005**
Transfer between reserves relating to disposal of investments classified as at fair value through other comprehensive income	**-**	**(2 053)**	**2 053**	**-**	**-**	**-**
Decrease in equity-settled employee benefits reserve	**-**	**(3 592)**	**3 592**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**(47 631)**	**(47 631)**	**(1 201)**	**(48 832)**
Balance at 31 December 2022	**235 541**	**1 008 484**	**3 076 317**	**4 320 342**	**44 866**	**4 365 208**

Notes to the summarised audited results

for the year ended 31 December 2022

1. BASIS OF PREPARATION

The recognition and measurement criteria applied in the preparation of these summarised consolidated financial statements are in terms of International Financial Reporting Standards (IFRS). The same accounting policies and methods of computation are followed in the summarised consolidated financial statements as compared with the most recent annual consolidated financial statements. These summarised consolidated financial statements contain, as a minimum, the presentation and disclosures as required by *IAS 34 Interim Financial Reporting.* There were no assets held for sale, discontinued operations or significant acquisitions within the group during the current year.

The group has adopted all of the amended accounting standards relevant to its operations and effective for annual reporting periods beginning 1 January 2022. The adoption of these amended standards has not had any significant impact on the amounts reported in the summarised consolidated financial statements or the disclosures herein.

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for summarised reports and the requirements of the Companies Act in South Africa. The summarised consolidated financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS. The Listings Requirements require summarised reports to be prepared in accordance with and containing the information required by *IAS 34 Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The preparation of this summarised report was supervised by the Group Finance Director, KJ van Haght CA(SA).

The summarised consolidated financial statements are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

These results have been audited by the group's auditor, Deloitte & Touche, who expressed an unmodified opinion. The auditor's report, including key audit matters, and the annual financial statements are available on the company's website at www.bellir.co.za. The auditor's report does not necessarily report on all of the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

2. REVENUE

The group derives its revenue from the sale of equipment and aftermarket products, which includes the sale of parts, service contracts and transport revenue, extended warranty and rental revenue.

This disaggregation is consistent with the external revenue information that is disclosed for each reportable segment (refer to note 9) and the information that is provided to the group's chief operating decision maker on a regular basis.

Disaggregation of revenue

	Manufacturing, Assembly, Logistics and Dealer Sales Operations		Direct Sales Operations		
	South Africa R'000	Europe R'000	South Africa R'000	Rest of Africa R'000	Total Revenue R'000
December 2022 - audited					
Revenue					
Sale of equipment *	**1 222 727**	**3 416 403**	**2 591 470**	**351 437**	**7 582 037**
Sale of parts	**608 194**	**266 538**	**963 815**	**195 768**	**2 034 315**
Service contracts and transport revenue	**115 872**	**47 639**	**261 589**	**29 169**	**454 269**
Extended warranty	**89 283**	**2 847**	**-**	**-**	**92 130**
Rental revenue	**-**	**4 584**	**108 665**	**220**	**113 469**
Total revenue	**2 036 076**	**3 738 011**	**3 925 539**	**576 594**	**10 276 220**
December 2021 - audited					
Revenue					
Sale of equipment *	1 043 265	2 766 176	1 877 434	142 362	5 829 237
Sale of parts	390 445	253 567	829 787	160 439	1 634 238
Service contracts and transport revenue	56 018	48 500	215 889	30 178	350 585
Extended warranty	69 388	-	-	-	69 388
Rental revenue	-	9 185	120 978	3 514	133 677
Total revenue	1 559 116	3 077 428	3 044 088	336 493	8 017 125

The transfer of goods and services occurs over time and at a point in time as reflected below.

	Audited 2022 R'000	Audited 2021 R'000
Timing of revenue recognition		
At a point in time		
Sale of equipment *	**7 582 037**	5 829 237
Sale of parts	**2 034 315**	1 634 238
Service contracts and transport revenue	**454 269**	350 585
Total	**10 070 621**	7 814 060
Over time		
Extended warranty	**92 130**	69 388
Rental revenue	**113 469**	133 677
Total	**205 599**	203 065
Total revenue	**10 276 220**	8 017 125

* Sale of equipment in manufacturing, assembly, logistics and dealer sales operations in Europe has been increased by an amount of R17,2 million (2021: increased by R35,6 million) relating to a reversal of the expected loss on sales transactions concluded with residual value guarantees.

Included in revenue for the year is an amount of R292,8 million (2021: R76,3 million) relating to bill and hold arrangements for the sale of equipment to certain customers. Control of the equipment has passed to these customers and management's assessment is that the likelihood of revenue reversal in future periods is remote.

The group had remaining and unsatisfied performance obligations at year end in terms of extended warranty contracts, service contracts, and in terms of certain equipment sales contracts where the consideration was received in advance from customers. These obligations are reflected as contract liabilities in the statement of financial position.

Notes to the summarised audited results continued

for the year ended 31 December 2022

3. PROFIT FROM OPERATING ACTIVITIES

	Audited 2022 R'000	Audited 2021 R'000
Profit from operating activities is arrived at after taking into account:		
Income		
Currency exchange gains (i)	**409 912**	247 473
The Automotive Production Development Programme - production incentives (ii)	**144 351**	90 884
Net surplus on disposal of property, plant and equipment	**1 828**	8 160
Expenditure		
Amortisation of intangible assets	**44 531**	36 364
Amounts written off as credit impaired	**5 065**	3 850
Auditors' remuneration - audit and other services	**17 691**	14 436
Cash-settled employee share awards	**18 200**	10 031
Consulting fees	**25 907**	32 133
Currency exchange losses (i)	**385 785**	258 624
Increase in allowance for expected credit losses on trade and other receivables	**800**	11 810
Depreciation of property, plant and equipment	**141 993**	151 396
Depreciation of right-of-use assets	**58 474**	63 436
Impairment loss recognised on intangible assets	**9 348**	-
Increase in contract provision - warranty	**67 316**	14 964
Lease expenses (iii)	**32 286**	18 681
Research expenses (excluding staff costs)	**38 983**	36 466
Staff costs (including directors' remuneration) (iv)	**1 747 535**	1 529 528

(i) Net currency exchange gains arose mainly on USD denominated revenue and receivables as a result of the movement in the Rand and the Euro against the USD in the current year.

(ii) Income from production incentives increased by 58,8% (2021: 45,1%) due to an increase in production volumes in the current period.

(iii) Included in lease expenses are amounts for short-term leases and leases of low value assets.

(iv) Staff costs increased by 14,3% (2021: 17,8%) mainly due to an increase in the workforce at the manufacturing and assembly facilities stemming from increased production volumes, and labour cost escalations.

Notes to the summarised audited results continued

for the year ended 31 December 2022

4. INTEREST EXPENSE

	Audited 2022 R'000	Audited 2021 R'000
Interest expense incurred on the following:		
Bank overdrafts and loans	**49 340**	23 608
Lease liabilities	**37 180**	37 034
Industrial Development Corporation (IDC) of South Africa working capital facility	**45 945**	27 022
Other interest expenses *	**4 512**	8 724
Total interest expense	**136 977**	96 388

* Includes interest expenses relating to extended credit terms granted to the group for goods purchased in the normal course of business.

5. INTEREST INCOME

Interest income earned on the following:		
Service contracts	**9 804**	9 616
Extended warranty contracts	**25 360**	24 622
Instalment sale agreements	**26 546**	17 087
Other interest income *	**15 802**	10 951
Total interest income	**77 512**	62 276

* Includes interest income received from customers on extended credit terms provided, finance leases and financial institutions.

6. EARNINGS PER SHARE, NET ASSET VALUE PER SHARE AND GEARING RATIO

		Audited 2022	Audited 2021
Basic earnings per share is arrived at as follows:			
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	**456 846**	286 770
Weighted average number of shares in issue	('000)	**95 629**	95 629
Earnings per share (basic)	**(cents)**	**478**	300
Diluted earnings per share is arrived at as follows:			
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	**456 846**	286 770
Fully converted weighted average number of shares	('000)	**127 826**	110 182
Earnings per share (diluted)	**(cents)**	**357**	260

The group has potential ordinary shares relating to the shareholding of BEE parties in certain group entities. These BEE parties are required to sell their shares to the group at the end of the lock-in period in exchange for cash, shares in the company or in another group entity or for a combination of cash and shares, at the company's discretion. The number of shares has been adjusted for the effect of the dilutive potential shares relating to these options.

		Audited 2022	Audited 2021
Headline earnings per share is arrived at as follows:			
Profit attributable to owners of Bell Equipment Limited	(R'000)	**456 846**	286 770
Net surplus on disposal of property, plant and equipment	(R'000)	**(1 828)**	(8 160)
Taxation effect of net surplus on disposal of property, plant and equipment	(R'000)	**237**	2 270
Reversal of impairment loss on property, plant and equipment	(R'000)	**(5 786)**	-
Taxation effect of reversal of impairment loss on property, plant and equipment	(R'000)	**1 736**	-
Impairment loss recognised on intangible assets	(R'000)	**9 348**	-
Taxation effect of impairment loss on intangible assets	(R'000)	**(2 617)**	-
Reclassification to profit or loss of foreign currency translation reserve relating to deregistered operations	(R'000)	**(5 349)**	-
Headline earnings	(R'000)	**452 587**	280 880
Weighted average number of shares in issue	('000)	**95 629**	95 629
Headline earnings per share (basic)	**(cents)**	**473**	294
Diluted headline earnings per share is arrived at as follows:			
Headline earnings calculated above	(R'000)	**452 587**	280 880
Fully converted weighted average number of shares	('000)	**127 826**	110 182
Headline earnings per share (diluted)	**(cents)**	**354**	255

Headline earnings is calculated in accordance with *Circular 1/2021 Headline Earnings* issued by the South African Institute of Chartered Accountants.

		Audited 2022	Audited 2021
Net asset value per share is arrived at as follows:			
Total capital and reserves	(R'000)	**4 365 208**	3 861 733
Number of shares in issue	('000)	**95 629**	95 629
Net asset value per share	**(cents)**	**4 565**	4 038
The gearing ratio at the end of the period was as follows:			
Short-term and long-term borrowings	(R'000)	**1 376 486**	851 978
Cash and bank balances	(R'000)	**(228 600)**	(156 332)
Net debt	(R'000)	**1 147 886**	695 646
Total equity	(R'000)	**4 365 208**	3 861 733
Net debt to equity ratio	(%)	**26,3**	18,0

Notes to the summarised audited results continued

for the year ended 31 December 2022

7. STATED CAPITAL

	Audited 2022 R'000	Audited 2021 R'000
Authorised		
100 000 000 (2021: 100 000 000) ordinary shares of no par value		
Issued		
95 629 385 (2021: 95 629 385) ordinary shares of no par value	**235 541**	235 541

8. CAPITAL EXPENDITURE COMMITMENTS

Contracted	**25 134**	26 267
Authorised, but not contracted	**186 696**	115 659
Total capital expenditure commitments	**211 830**	141 926

This capital expenditure is to be financed from internal resources.

9. SUMMARISED SEGMENTAL ANALYSIS

Information regarding the group's reportable segments is presented below in a manner consistent with information reported to the group's chief operating decision maker for purposes of resource allocation and assessment of segment performance.

The group conducts two main business operations:

Manufacturing, assembly, logistics and dealer sales operations

- OEM operations comprising manufacturing, assembly and sales of equipment and aftermarket products to independent dealers for their distribution to market

Direct Sales operations

- owned distribution operations for direct sales of own manufactured products, other third party products and the supply of aftermarket support and products to market

The Manufacturing, assembly, logistics and dealer sales operations comprise operations in South Africa and Europe:

- South Africa includes the group's main OEM and manufacturing operations in Richards Bay and the group's global parts logistics centre in Johannesburg. The main function of these operations is to manufacture and distribute product to the rest of the group and to independent dealers in North America, Africa, South America and Australasia.
- Europe includes dealer support operations in the United Kingdom, France, Russia and Germany as well as an assembly and manufacturing plant and a parts logistics centre in Germany which distribute product to independent dealers in North America, Europe and Asia.

The Direct Sales operations comprise operations in South Africa and Rest of Africa:

- South Africa includes a number of customer service centres in South Africa and Swaziland.
- Rest of Africa includes customer service centres in Zambia and Zimbabwe.

Other operations include the results of the group's holding companies, intra-group loan investment companies, property investment company and BBBEE companies and trust.

The accounting policies of the reportable segments are the same as the group's accounting policies.

Notes to the summarised audited results continued

for the year ended 31 December 2022

9. SUMMARISED SEGMENTAL ANALYSIS continued

Each reportable segment, except for the other operations and inter-segmental eliminations segment, derives its revenue mainly from the sale of equipment and aftermarket products.

	External Revenue R'000	Inter-segment Revenue R'000	Total Revenue R'000	Operating profit (loss) R'000	Assets R'000	Liabilities R'000
December 2022						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa	**2 036 076**	**4 984 881**	**7 020 957**	**369 244**	**5 546 590**	**4 592 601**
Europe	**3 738 011**	**385 145**	**4 123 156**	**141 750**	**2 697 618**	**1 388 537**
Direct Sales operations						
South Africa	**3 925 539**	**18 463**	**3 944 002**	**174 927**	**1 530 198**	**1 331 250**
Rest of Africa	**576 594**	**10 190**	**586 784**	**45 136**	**291 770**	**124 165**
Other operations and inter-segmental eliminations *	**-**	**(5 398 679)**	**(5 398 679)**	**(25 869)**	**(1 415 451)**	**(3 151 036)**
Total	**10 276 220**	**-**	**10 276 220**	**705 188**	**8 650 725**	**4 285 517**
December 2021						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa	1 559 116	3 556 860	5 115 976	8 558	4 252 535	3 499 598
Europe	3 077 428	209 936	3 287 364	157 561	2 223 787	1 192 851
Direct Sales operations						
South Africa	3 044 088	18 756	3 062 844	94 036	1 415 932	1 308 765
Rest of Africa **	336 493	2 641	339 134	122 546	267 678	132 500
Other operations and inter-segmental eliminations *	-	(3 788 193)	(3 788 193)	21 021	(1 235 925)	(3 071 440)
Total	8 017 125	-	8 017 125	403 722	6 924 007	3 062 274

Information about major customers
Included in the manufacturing, assembly, logistics and dealer sales operations segment, in South Africa and Europe, are sales to a distributor in the United States of America which represent more than 10% of the group's external revenue. No other single customer contributed 10% or more to the group's revenue in either 2022 or 2021.

* Inter-segmental eliminations above relate to the following:
i) Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations, to other group operations.
ii) Operating profit - the elimination of profit on intra-group transactions, mainly sales transactions from the manufacturing, assembly, logistics and dealer sales operations to the other group operations, where the inventory has not yet been on-sold to a third party at period end.
iii) Assets and liabilities - the intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

** Profit from operating activities in the Rest of Africa segment in the prior year included the intra-group waiving of debt owed by the Zimbabwean operation.

Notes to the summarised audited results continued

for the year ended 31 December 2022

10. CONTINGENT ASSETS AND LIABILITIES

		Audited 2022 R'000	Audited 2021 R'000
10.1	**Contingent assets** **Reimbursement right relating to standard warranty in respect of manufactured goods**		
	Reimbursement right from component suppliers in respect of standard warranties where virtual certainty of recovery has not yet been established	**38 744**	28 182
10.2	**Contingent liabilities** **Third party warranties and indemnities**		
	Warranties and indemnities limited to USD3 million provided to a third party in previous years relating to the sale of assets of the DRC operation in 2018, expired in the current year.	**-**	47 638

11. RELATED PARTY TRANSACTIONS

Information regarding significant transactions with related parties is presented below. Transactions are carried out on an arms length basis.		
Shareholders		
John Deere Construction and Forestry Company *		
- purchases	**-**	195 519

* John Deere Construction and Forestry Company ceased being a related party at the end of September 2021 when their interest was purchased by I A Bell and Company (Pty) Ltd, which is the parent company of the group. The prior period above reflects transactions up to the end of September 2021.

Notes to the summarised audited results continued

for the year ended 31 December 2022

12. FINANCIAL INSTRUMENTS

Categories of financial instruments included in the summarised consolidated statement of financial position:

Financial assets

- financial assets at fair value through profit or loss;
- financial assets at amortised cost; and
- financial assets at fair value through other comprehensive income.

Classification is determined by both the group's business model as well as the contractual cash flow characteristics of the asset.

Financial assets carried on the statement of financial position include cash and bank balances, investments, interest-bearing receivables, trade and other receivables and other assets (forward foreign exchange contracts).

Financial liabilities

- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include interest-bearing liabilities, trade and other payables, bank overdrafts and borrowings on call and other liabilities (forward foreign exchange contracts).

Fair value of financial instruments

Financial assets at amortised cost

Interest-bearing receivables, trade and other receivables, excluding the value added taxation receivable, and cash and bank balances are measured at amortised cost. The directors consider that the carrying amount of trade and other receivables and cash and bank balances approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing receivables approximates their fair value owing to the market related interest rates charged on these agreements.

Financial liabilities at amortised cost

Interest-bearing liabilities, trade and other payables, and bank overdrafts and borrowings on call are measured at amortised cost. The directors consider that the carrying amount of trade and other payables, excluding the value added taxation payable, and bank overdrafts and borrowings on call approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing liabilities approximates their fair value owing to the market related interest rates on these instruments.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities carried at fair value through profit or loss include forward foreign exchange contracts presented in the statement of financial position as other assets or liabilities. The group measures forward foreign exchange contracts at fair value on a recurring basis based on the market approach, using inputs other than quoted prices (Level 2). The fair value of these contracts is based on observable forward exchange rates at period end from an independent provider of financial market data.

The details of forward foreign exchange contracts held at 31 December 2022 are listed below.

	Foreign amount '000	Rate R	Market value in Rands R'000	Fair value (loss) gain R'000
December 2022				
Import contracts				
British Pound	**4 000**	**20,70**	**82 070**	**(712)**
Euro	**2 450**	**17,49**	**44 556**	**1 695**
Japanese Yen	**508 759**	**7,87**	**65 767**	**1 157**
Export contracts				
Euro	**500**	**17,97**	**9 090**	**(102)**
United States Dollar	**15 876**	**17,84**	**269 478**	**13 783**
December 2021				
Import contracts				
British Pound	5 911	21,04	127 845	3 468
Euro	15 908	17,98	289 083	3 126
Japanese Yen	111 113	7,14	15 499	(67)
United States Dollar	9 095	15,94	145 591	567
Export contracts				
British Pound	24	21,42	519	(5)
Euro	4 369	18,36	79 024	1 208
United States Dollar	23 783	15,85	381 095	(4 059)

Notes to the summarised audited results continued

for the year ended 31 December 2022

12. FINANCIAL INSTRUMENTS continued

Fair value of financial instruments continued

Investments at fair value through other comprehensive income

Investments carried at fair value through other comprehensive income include listed and unlisted equity instruments. These investments are measured at fair value on a recurring basis. The fair value of listed investments is based on quoted market prices (Level 1).

For its unlisted investment (Level 3), the group used the market approach to estimate the fair value of its investment as the group does not have access to future forecast information with regards to the investment entity. The unlisted entity operates within the dealer and distribution network of the heavy equipment industry.

In estimating the fair value, the group used an average price to book ratio of 2,06 (December 2021: 2,25) applied to the estimated net asset value of the entity as at 31 December 2022. The price to book ratio of 2,06 (December 2021: 2,25) represents an average of observable price to book ratios of a number of entities within the heavy equipment industry. The price to book ratios were obtained from a reputable market database. For a 10% change in the price to book ratio, there would have been an equal impact of R5,8 million (2021: R4,5 million) on the fair value of the investment.

The fair value gain of R12,7 million (2021: R14,6 million) was accounted for in other comprehensive income.

A reconciliation of this investment is presented below:

	Audited 2022 R'000	Audited 2021 R'000
Opening balance	**44 636**	29 754
Translation difference	**875**	298
Fair value gains recognised in other comprehensive income	**12 669**	14 584
Closing balance	**58 180**	44 636

Valuation techniques and fair value hierarchy

There was no change in the valuation techniques used for forward foreign exchange contracts (Level 2) and listed (Level 1) and unlisted investments (Level 3).

For all fair value measurements disclosed above, there were no transfers between levels of the fair value hierarchy during the year.

13. CONTRACT LIABILITIES

Contract liabilities consist of the following:		
Advance receipts from customers	**123 302**	68 847
Deferred warranty income	**172 498**	149 435
Deferred service contract income	**64 689**	62 086
Deferred finance income liability	**75 564**	61 821
	436 053	342 189
Less: current portion	**(319 894)**	(243 832)
Long-term portion	**116 159**	98 357

14. REFUND LIABILITIES

	Audited 2022 R'000	Audited 2021 R'000
Refund liabilities relate to the following:		
Residual value risk - De Lage Landen International (i)	**8 138**	23 715
Right-to-return parts	**30 368**	22 493
Financing venture with WesBank (note 15)	**-**	17 471
	38 506	63 679
Less: current portion	**(34 149)**	(51 693)
Long-term portion	**4 357**	11 986

(i) The group has guaranteed the residual values on machines on lease agreements offered by the financial institution to the group's customers in certain countries.

15. FINANCING VENTURE WITH WESBANK

The group has assisted customers with the financing of equipment purchased through a financing venture with WesBank, a division of FirstRand Bank Limited. In respect of the different categories of financing provided by WesBank, the group carries certain credit risks.

Specific transactions where the group carries all the credit risk (Bell-backed deals)
These transactions are credit applications that have initially been declined by WesBank but based on the group's backing are financed through the financing venture. Where the group carries all the credit risk, the group is liable for the full balance due to WesBank by default customers. The net credit risk is reflected below. The group is required to invest an amount with WesBank equal to 25% of the value of the financing provided by WesBank to customers as collateral in respect of these transactions. This investment, which earns interest at the cost of capital of the financing venture, is reflected as contract assets. The cash investment is adjusted for anticipated credit losses and these are recognised in the statement of profit or loss as an adjustment to revenue.

Based on the insignificant historical loss rate on Bell-backed transactions, market conditions, market prices which are expected to be realised for the equipment held as security, management concluded that the risk of expected credit losses on a portfolio basis was reduced to an insignificant amount.

	Audited 2022 R'000	Audited 2021 R'000
The carrying amount of the 25% cash collateral in respect of these Bell-backed deals at year-end was	**6 801**	25 187
The group's credit risk exposure to WesBank has been disclosed below:		
At year-end the group's credit risk exposure to WesBank under Bell-backed deals, for which the group carries all the credit risk, totalled *	**26 724**	112 739
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liabilities	**50 291**	161 521
	(23 567)	(48 782)
Less: allowance for expected credit losses against cash collateral	**-**	(5 824)
Less: refund liability recognised (note 14)	**-**	(17 471)
Net credit risk relating to WesBank Bell-backed transactions	**-**	-

* The group's credit risk exposure decreased due to the collection of prior year balances in the current year and less outstanding Bell-backed deals by year-end.

16. RESTRICTED ACCESS TO CASH AND BANK BALANCES

The group's cash and bank balances includes an amount which forms part of the group's operation in Russia and which is not accessible by the group outside Russia due to sanctions.

	Audited 2022 R'000
Cash and bank balances in Russia	**40 177**

17. IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

IAS 36 Impairment of Assets
In terms of *IAS 36 Impairment of Assets* the group is required to perform tests for impairment of assets based on the expected future cash flows pertaining to these assets whenever there is an indication that these assets may be impaired.

At 31 December 2022 the market capitalisation and net asset value of the group were R1,5 billion (2021: R1,2 billion) and R4,4 billion (2021: R3,9 billion) respectively. This is an indicator of possible impairment of the group's business in terms of IAS 36.

Management has identified two types of CGU's and has adopted the following approach in order to assess the relevant CGU for impairment:

- OEM CGU: The Richards Bay manufacturing component (BECSA), the Germany manufacturing and assembly component (Kindel), the Germany logistics centre component (Alsfeld), BEGS including the GLC component and Bell Equipment North America Inc. component (BENA), constitute this main CGU. Management has calculated a fair value for this CGU using a discounted cash flow model which is compared to the relevant net assets within the CGU in order to determine whether there is any need for impairment of OEM assets. A discounted cash flow valuation was performed for each of the components and the sum of the fair values of the components was compared with the carrying amount of the assets recorded in the financial statements for the OEM CGU.
- Dealer CGU's: There are a number of CGU's relating to the owned direct sales operations, such as BESSA. Management performed a qualitative risk assessment of the profitability and any potential exposure of assets within the relevant CGU to impairment under IAS 36. No impairment losses were identified from this review.

Further consideration was given to the possible impairment of specific asset categories on the statement of financial position as set out in note 17.2. below.

17.1 Impairment considerations of the OEM CGU

The following was considered in the valuation based on discounted cash flow methodology of the OEM CGU:

- Discounted cash flow valuation principles were applied in assessing the expected future cash flows pertaining to each of the operations comprising the OEM CGU. A fair value less costs to sell measurement assessment was performed.
- The key assumptions used in the valuations related to financial forecasts, cash flow projections, terminal growth rates and discount rates. The financial forecasts and cash flow projections were approved by the board of directors. Specialists were engaged to determine appropriate discount rates and terminal growth rates, to review the appropriateness of the valuation methodology applied and the accuracy of implementation thereof by management.

No impairment losses relating to the operations comprising the OEM CGU were identified from this review.

17.2 Impairment considerations of specific asset categories

- ***Inventory***
  The group conducted a detailed assessment of the valuation of inventory at 31 December 2022. All inventory is valued at the lower of cost and net realisable value. At 31 December 2022, an amount of R313,2 million (2021: R326,9 million) included in inventory was carried at net realisable value. Included in cost of sales in the current year is an amount of R55,1 million (2021: R42,5 million) in respect of write-downs of inventory.
- ***Trade and interest-bearing receivables***
  The balances owed by customers to the group are reviewed on an ongoing basis, with specific emphasis on protecting the value of the group's security, comprising mainly the financed equipment. There has been no change to this approach during the current year. At 31 December 2022, the allowances for expected credit losses on trade and interest-bearing receivables totalled R56,5 million (2021: R48,0 million). This is considered to be adequate.
- ***Property, plant and equipment***
  There has been no change in the group's plans to use its assets to support revenue generating activities. The group's freehold land and buildings were revalued in the current year and a reversal of a prior year impairment loss of R5,8 million (2021: Rnil) was accounted for in profit or loss and a revaluation surplus of R58,1 million (2021: Rnil) was accounted for in other comprehensive income for the period. No impairment of property, plant and equipment was considered necessary.
- ***Intangible assets***
  A review was conducted of capitalised engineering development costs and projects to the value of R9,3 million (December 2021: Rnil) were discontinued and impaired in the current period.

17.3 Impairment considerations of Russian operation

Due to the ongoing Russia-Ukraine conflict and sanctions imposed, the assets relating to the group's operation in Russia were tested for impairment. Access to the cash and bank balances in this operation is restricted at present (refer note 16). The carrying value of inventory in this operation amounts to R27,3 million and this is considered to be recoverable. There are no other significant assets in this operation. No impairment losses were identified from this review.

17.4 Directors' assessment of going concern

The group's net debt at 31 December 2022 has increased to approximately R1,1 billion (December 2021: R0,7 billion) due to planned higher production volumes.

As part of the assessment of the appropriateness of adopting the going concern basis in preparing the consolidated annual financial statements for the year ended 31 December 2022, the directors considered the group's cash flow forecasts for the next twelve months. These forecasts are based on expected demand for the next twelve months. The cash flow forecast reflects that the group expects to operate within facility levels and generate sufficient cash flows to settle its obligations when due. The group's lenders continue to support the business.

The directors consider it appropriate that the year-end financial statements are prepared on a going concern basis.

Notes to the summarised audited results continued

for the year ended 31 December 2022

18. POST FINANCIAL POSITION EVENTS

Notice is hereby given that the directors have declared a gross final cash dividend of 90 cents per ordinary share for the year ended 31 December 2022 payable to ordinary shareholders in accordance with the timetable below.

The net final dividend is 72 cents per share for ordinary shareholders who are not exempt from dividends tax. The dividend withholding tax rate is 20 percent.

The dividend has been declared from income reserves.

The company's income tax reference number is 9022169206.

The issued share capital at the declaration date is 95 629 385 ordinary shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 18 April 2023
Shares commence trading "ex" dividend	Wednesday, 19 April 2023
Record date	Friday, 21 April 2023
Payment date	Monday, 24 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 April 2023, and Friday, 21 April 2023, both days inclusive.

No other fact or circumstance material to the appreciation of these summarised consolidated financial statements has occurred between 31 December 2022 and the date of this report.

By order of the board
31 March 2023

Directors

Non-executive
GW Bell (Chairman), HR van der Merwe* (Lead Independent),
DH Lawrance*, ME Ramathe*, R Naidu*, U Maharaj*, M Geyer*, AJ Bell
**Independent*

Executive
L Goosen (Group Chief Executive), A Goordeen (Alternate), KJ van Haght (Group Finance Director)

Company Secretary
D McIlrath

Registered Office
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Transfer Secretaries
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Sponsor
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Release date: 31 March 2023

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