BELL EQUIPMENT LIMITED
REG. NO. 1968/013656/06

AUDITED ANNUAL FINANCIAL STATEMENTS
31 December 2023

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ANNUAL FINANCIAL STATEMENTS
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The preparation of these separate annual financial statements was supervised by KJ Van Haght CA(SA), and have been audited in accordance with the applicable requirements of the Companies Act of South Africa.

Directors:	AJ Bell - Executive director - appointed group chief executive with effect from 1 January 2024
	GW Bell - Non-executive chairman
	M Geyer - Independent non-executive director
	A Goordeen - Alternate director
	DH Lawrance - Independent non-executive director
	U Maharaj - Independent non-executive director
	R Naidu - Independent non-executive director
	ME Ramathe - Independent non-executive director
	HR van der Merwe - Lead independent non-executive director
	KJ van Haght - Group finance director
COMPANY SECRETARY:	D McIlrath

Business address: 13-19 Carbonode Cell, Alton, Richards Bay, 3900.

Postal address: Private Bag X20046, Empangeni, 3880.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of Bell Equipment Limited are responsible for the integrity of the separate annual financial statements of the company.

In order to fulfil this responsibility, the company maintains internal accounting and administrative control systems and procedures designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the company's policies and procedures.

The separate annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in accordance with the requirements of the Companies Act of South Africa, and have been examined by independent auditors in conformity with International Standards on Auditing. The group annual financial statements have been published on the company's website www.bellir.co.za.

The audit committee reviewed management's assessment of the going concern status of the company at year-end and for the foreseeable future. The audit committee concurred with management's assessment that the company is a going concern and recommended the adoption of the going concern concept by the company to the board.

The separate annual financial statements, which appear on pages 6 to 32 were approved by the Board of Directors on 28 March 2024 and are signed on its behalf by:

Ashley Bell
Chief Executive
28 March 2024

KJ van Haght
Finance Director

CERTIFICATION BY THE COMPANY SECRETARY

I certify that the company has, in respect of the financial year reported on, lodged with the Companies and Intellectual Property Commission (CIPC) all returns and notices required of a public company and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

D McIlrath
Company Secretary
28 March 2024

PO Box 243
Durban 4000
South Africa

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Registered Auditors
Audit & Assurance
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Bell Equipment Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Bell Equipment Limited (the company) set out on pages 13 to 32, which comprise the separate statement of financial position as at 31 December 2023, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Bell Equipment Limited as at 31 December 2023, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements 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' (IESBSA) 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.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report on the separate financial statements.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Bell Equipment Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Approval of the annual financial statements, the Directors' Report, the Audit Committee's Report, and the Certification by the Company Secretary, as required by the Companies Act of South Africa. The other information does not include financial statements and our auditor's report thereon.

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

In connection with our audit of the 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, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Bell Equipment Limited (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)

- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Bell Equipment Limited for 30 years.

Deloitte & Touche
Registered Auditor
902276

DocuSigned by:
Deloitte & Touche
Per: F0942A250287470...

Partner
Andrew Kilpatrick CA(SA); RA
The Skye, 2 Vuna Close, Umhlanga Ridge, 4319

28-03-2024

BELL EQUIPMENT LIMITED
DIRECTORS' REPORT
for the year ended 31 December 2023

The directors submit the separate annual financial statements for Bell Equipment Limited for the year ended 31 December 2023.

NATURE OF BUSINESS

Bell Equipment designs and manufactures a wide range of products. It is recognised as a global ADT specialist with the largest and most advanced range in the world. Its products include a complete range of Bell forestry and agriculture products and a growing number of niche application equipment such as underground machinery.

Through strategic partnerships with global manufacturers such as JCB, Finlay and Kobelco, Bell complements its own product range in South Africa where it is a full range materials handling distributor and an equipment supplier of choice.

With machines operating in over 80 countries worldwide, the group values its global support network, which supplies equipment, ancillary products and after sales services. This network is, in turn, supported by a robust OEM structure to ensure efficient lines of communication between end users of the product and the group globally.

FINANCIAL RESULTS

The results of the company are fully disclosed in the accompanying financial statements and notes thereon.

STATED CAPITAL

The company’s authorised share capital remains at 100 000 000 ordinary shares of no par value. The stated capital account as at 31 December 2023 comprised 95 629 385 (December 2022: 95 629 385) ordinary shares of no par value.

DIVIDEND CONSIDERATION

Over the last two financial years we gained pleasing traction in realising our planned growth, and we will continue along this path. By its nature, growth in our business requires significant working capital investments in inventory and receivables. With this in mind, coupled with a reflection on current volatile global political and economic uncertainties, the Board has resolved to preserve cash resources rather than paying a dividend at this time. This will be reviewed at the interim results stage.

SHARE-BASED PAYMENT SCHEMES WITH EMPLOYEES

The company operated one active employee share-based payment scheme during the year. Details of this scheme are set out in note 21 to the separate annual financial statements.

DIRECTORS

Leon Goosen resigned as CEO and director with effect from 31 December 2023. Ashley Bell, a non executive director of the board, was appointed as the CEO with effect from 1 January 2024.

Prior to his appointment as CEO, Ashley served as a member of the risk and sustainability committee in his capacity as a non executive director. In light of Ashley's new role as executive director, Ushadevi Maharaj, an independent non executive director, was appointed to this committee effective 1 January 2024. Ashley continues to serve on the risk and sustainability committee, as well as the social, ethics, and transformation committee, now in his capacity as CEO.

Avishkar Goordeen, previously the alternate director to Leon Goosen, was appointed as the alternate director to Ashley Bell effective 1 January 2024. Such appointment will be taken to the shareholders for approval at the forthcoming AGM on 31 May 2024.

Hennie van der Merwe, Derek Lawrance and Ushadevi Maharaj retire by rotation at the forthcoming AGM but, being eligible, offered themselves for re-election and their re-election is recommended by the board.

Details of the directors and GEC of the Bell Equipment group at the date of this report will appear in the leadership report of the integrated annual report when distributed.

As at the end of the year under review the directors' shareholdings were as follows:

	Number of shares held					
	Direct beneficial		**Indirect non-beneficial**		**Associates**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
GW Bell	253 600	253 600	16 089 622	16 089 622	109 660	109 660
AJ Bell*	2 598	2 598	-	-	-	-
L Goosen**	31 300	20 040	-	-	-	-
U Maharaj	-	-	-	-	33	33

** appointed as CEO on 1 January 2024*
*** resigned as CEO and director with effect from 31 December 2023*

There has been no change in the shareholding of directors as reflected above between the end of the financial year and the date of this report.

The remuneration paid to directors of the company during the period under review is set out in note 19 to the separate annual financial statements.

MAJOR SHAREHOLDER

The major shareholder in Bell Equipment Limited as at 31 December 2023 was:

	2023	**2022**
I A Bell & Company Proprietary Limited	70.10%	70.10%

GW Bell and AJ Bell are directors of I A Bell & Company Proprietary Limited and GW Bell holds a 24% shareholding in I A Bell & Company Proprietary Limited.

COMPANY SECRETARY

The company secretary is Diana McIlrath. Her particulars and business address appear on page 95 of the Bell group's annual financial statements.

INTERNAL CONTROL

The board is accountable for the system of internal controls for the group. The output of the risk management process, in conjunction with the work of the assurance providers, indicates to the directors that the controls in place, including financial controls, are adequate and effective.

Furthermore, no material losses, exposures, financial misstatements or compliance breaches have been reported to the directors for the financial year.

The directors recognise that, at any point in time, there are areas for improvement in internal controls and new areas of risk exposure, which may require management attention. As such, there is a continual focus on ensuring that the control environment within each business area is understood and maintained at the required level and that process and control improvements are implemented where necessary.

LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Bell group's financial position.

GOING CONCERN STATEMENT

At the time of approving these annual financial statements, the board of directors is of the opinion that, after making enquiries, it has a reasonable expectation that the Bell group has sufficient resources to maintain its operational existence for the foreseeable future and therefore believes that the going concern assumption is appropriate.

SUBSIDIARIES

Details of the company's interest in its subsidiary companies are contained in note 6 to the separate annual financial statements.

SUBSEQUENT EVENTS

No fact or circumstance material to the appreciation of this report has occurred between 31 December 2023 and the date of this report.

CONCLUSION

The company is in compliance with the provisions of the Companies Act, specifically in relation to its incorporation and it is operating in conformity with its MOI.

Signed on behalf of the board

Ashley Bell	KJ van Haght
Chief executive	*Finance Director*
28 March 2024	

The audit committee ('the committee') is pleased to present its report for the financial year ended 31 December 2023. The committee carried out its statutory responsibilities in terms of section 94(7) of the Companies Act and the report is in compliance with the provisions of the Companies Act, the JSE Listings Requirements and King IV.

The committee conducted its work in accordance with its board approved charter that is in line with the Companies Act, which is annually reviewed and updated, where required.

COMPOSITION

The committee is constituted as a statutory committee and the members are elected at the AGM. It has an independent role with accountability to both the board and shareholders.

In terms of the Companies Act, at the AGM of the company, shareholders are required to elect the committee members. Four independent non executive directors of Bell Equipment Limited were elected by shareholders at the 2023 AGM to serve until the next AGM in May 2024.

The committee was chaired by independent non executive director Derek Lawrance, and comprised three additional independent non executive directors, Mamokete Ramathe, Rajendran Naidu and Ushadevi Maharaj.

The chairman of the board, the chief executive and group finance director have a standing invitation to attend the meetings of the committee. The chairman of the board is however not a member of the committee. The group company secretary is the secretary of the committee.

The committee is satisfied that for the 2023 year:

- the committee, acting as a collective, was adequately skilled to perform its role having regard to the size and circumstances of the company. The collective skills of the committee include an understanding of financial and sustainability reporting, internal financial controls, the internal audit function, the external audit process, corporate law, risk management, information technology (IT) governance as it relates to integrated reporting, and the governance processes of the company;
- individual members of the committee held appropriate financial and related qualifications, skills and financial expertise to discharge their responsibilities; and
- individual members of the committee were not involved in the day-to-day management of the company.

The following directors, whose profiles including their qualifications will appear in the integrated annual report when distributed, have been nominated to the committee, subject to shareholders election at the AGM to be held on Friday, 31 May 2024:

- Derek Lawrance
- Mamokete Ramathe
- Rajendran Naidu
- Ushadevi Maharaj

The board is satisfied that the proposed elections to the committee of the four independent non executive directors set out above will meet the requirements of the Companies Act and is therefore recommending their election for the ensuing year.

FREQUENCY AND ATTENDANCE OF MEETINGS

During the year under review, four meetings were held. Meetings are scheduled to coincide with the key dates in the group's financial reporting and audit cycle.

Attendance by members was as follows:

AUDIT COMMITTEE	27 March 2023	31 May 2023	6 September 2023	14 November 2023
Derek Lawrance (chairman)	✔	✔	✔	✔
Mamokete Ramathe	✔	✔	✔	✔
Rajendran Naidu	✔	✔	✔	✔
Ushadevi Maharaj	✔	✔	✔	✔

OBJECTIVE AND SCOPE

The committee's main objective is to assist the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditor.

COMBINED ASSURANCE

The committee is of the view that the arrangements in place for combined assurance are adequate and the model was applied to provide a coordinated approach to all assurance activities; and in particular ensuring that the combined assurance received is appropriate to address all the significant risks facing the group. The committee has monitored the relationship between the external assurance providers and the group.

Further information on the combined assurance process is provided in the corporate governance report under risk management which will appear in the integrated annual report when distributed.

The committee has considered the contents of the financial statements, the group's accounting practices, the internal financial controls of the group and the finance function of the group in general and found all of these to be in order.

EXTERNAL AUDIT

Deloitte & Touche remained the company's external auditor for the 2023 financial year and its appointment will terminate upon the conclusion of the audit of the financial year ended 31 December 2023.

The committee assessed the suitability of the incumbent external auditor, Deloitte & Touche and the designated engagement partner, Mr. Andrew Kilpatrick, as contemplated in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements.

The committee gave due consideration to the independence of the external auditor, and the external auditor's independence was not prejudiced by any consultancy, advisory or other work undertaken. Audit and other services' fees are disclosed in note 28 of the Bell group's annual financial statements.

In September 2022, the board endorsed a recommendation by the committee, following a comprehensive "request for proposals" process, to propose PricewaterhouseCoopers Inc. ("PWC") for appointment by shareholders as the new external auditor of Bell Equipment and its subsidiaries for the financial year commencing on 1 January 2024, with Mr. Pieter Vermeulen as the designated individual auditor.

Subject to its appointment at the company's AGM on 31 May 2024, PWC will be the company's auditors for the financial year ending 31 December 2024.

The committee has applied its mind to the key audit areas and considered the key audit matter identified by the external auditor as follows:

• Impairment of intangible assets and property, plant and equipment as a result of net asset value exceeding market capitalisation of the group.

The committee is satisfied that this has been adequately addressed and disclosed.

The committee reviewed and approved the proposed audit fee for the 2023 financial year. The committee is satisfied that the external auditor does not, except as external auditor or in rendering permitted non audit services, receive any remuneration or other benefits from the company. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

The group's policy is to use its external auditors for non audit services where the use of other consultants would not make sound commercial sense and where the external auditor's independence will not be compromised, and where good corporate governance is not compromised by the engagement. There is a formal procedure that governs the pre approval process when the external auditor is considered for the provision of non audit services, and the allocation of such work is reviewed by the committee.

The external auditor has unrestricted access to the chairman of the committee. Meetings were held during the reporting period with the external auditor where management was not present, and no matters of concern were raised.

The committee received and reviewed reports from the external auditor concerning the effectiveness of the internal control environment, systems and processes and detailing the auditor's concerns arising out of the audit together with appropriate responses from management.

INTERNAL AUDIT

The committee oversaw the activities of the internal audit function, undertaken by Ernst & Young as the appointed internal auditor, and considered the effectiveness of internal audit, approved the internal audit charter and the annual internal audit plan, and monitored adherence to the plan. The committee has satisfied itself that the internal auditor reports functionally to the audit committee.

The internal auditor performed the role of considering and reporting to the committee on the effectiveness of the internal financial controls for financial reporting and risk management in support of the attestation by the group chief executive officer (CEO) and chief financial officer (CFO) required in terms of the provisions of the JSE Listings Requirements paragraph 3.84(k). The internal auditor tested and monitored the financial controls throughout the group in line with the JSE Listings Requirements. The statement by the group CEO and CFO in terms of JSE Listings Requirements paragraph 3.84(k) is set out on page 5 of the Bell group's annual financial statements.

The committee reviewed the reports of internal audit detailing findings arising out of its audits and responses from management. The committee received and reviewed reports from internal audit concerning the effectiveness of the internal control environment, systems and processes.

INTERNAL FINANCIAL CONTROL

The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management, and for considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management’s response thereto.

The CEO and CFO have reviewed the controls for financial reporting for the 2023 financial year and have presented their findings to the committee. During the current financial year, management evaluated relevant internal controls which address risk areas relating to financial reporting in group operations. Management identified certain prior year errors which resulted in the restatement of the separate annual financial statements of the company as reported in note 5 of these financial statements. This was remediated by management prior to finalisation of the year end results, and had no impact on the group's annual financial statements.

The CEO and CFO’s evaluation of controls included:
• the identification and classification of risks;
• the identification of controls, including effective internal financial reporting controls, in a formalised internal controls framework which has been implemented throughout the group;
• the implementation of a control self assessment tool and control self assessments by managers;
• testing the design and determining the implementation of controls addressing high and low risk areas;
• utilising internal audit to test the operating effectiveness of controls to address high risk areas; and
• obtaining control declarations from managers of group operations on the operating effectiveness of all controls on an annual basis.

The committee is of the view, having assessed the restatements referred to above and the remediation plans implemented, and based on the representations made by internal audit, the CEO and the CFO, that the group’s internal controls were adequate and effective during the period under review and can be relied upon as a reasonable basis for the preparation of appropriate annual financial statements. The committee has discussed and documented the basis for its conclusion, and this included discussions with management, the external auditor and the internal auditor.

NEW ACCOUNTING STANDARDS

The introduction of *IFRS17: Insurance Contracts* during the year has resulted in a change in accounting policy relating to the treatment of financial guarantee contracts in the financial statements of the company. These contracts are now fair valued in accordance with IFRS 9: Financial Instruments, with disclosure in terms of *IFRS 7: Financial Instruments: Disclosures* . This change has been applied retrospectively. The committee is satisfied with these changes in the financial statements of the company and has also considered all new standards, interpretations and amendments to standards in issue that still need to be adopted but are likely to affect the financial reporting in future years. The committee is satisfied that these are not expected to have a material impact on the financial statements of the group and company.

EXPERTISE AND EXPERIENCE OF THE GROUP FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed and has satisfied itself that the chief finance officer, Karen van Haght, has the appropriate skills, expertise and experience and confirms her suitability for serving as group finance director in terms of the JSE Listings Requirements. The committee further considers that the expertise, resources and experience of the finance function are appropriate based on the nature, complexity and size of the group’s operations.

GOING CONCERN, ANNUAL FINANCIAL STATEMENTS AND INTEGRATED ANNUAL REPORT

The committee considered the Bell Equipment Limited consolidated and company financial statements for the year ended 31 December 2023.

The committee considered the report of the JSE's Financial Reporting Investigations Panel on its findings arising from the Panel's monitoring of the financial reports published by JSE listed companies and has taken appropriate action to apply the findings.

The committee has considered those items within the financial statements which required significant judgement as reflected in note 4 to the consolidated annual financial statements.

The committee reviewed management's assessment of the going concern status of the group at year end and for the foreseeable future. The committee concurred with management's assessment that the group is a going concern and recommended the assumption of the going concern basis to the board.

In the committee's opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the company and its subsidiaries as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act.

The committee fulfils an oversight role in respect of the preparation of Bell Equipment's integrated annual report. In conjunction with other board committees, the committee considered the non financial information disclosed in the integrated annual report. The committee is committed to ensuring the incorporation of the principles of King IV in the preparation of this year's integrated annual report.

The chairman of the committee attends the annual general meeting and is available to answer any questions in relation to matters pertaining to the responsibilities of the committee.

CONCLUSION

The committee is satisfied that it has conducted its affairs and discharged its legal and other responsibilities as outlined in its charter, the Companies Act, JSE Listings Requirements and King IV and the board concurred with this assessment.

DH Lawrance
Chairman
Audit committee
28 March 2024

BELL EQUIPMENT LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

			Restated *	Restated *
		2023	2022	2022
		31 December	31 December	1 January
ASSETS	Notes	R000	R000	R000
Non-current assets		3 354 027	3 492 256	3 255 703
Investments in subsidiary companies	6	1 767 195	1 767 195	1 767 808
Amounts owing by subsidiary companies	7	1 586 832	1 725 061	1 487 895
Current assets		155 153	34 105	133 428
Other receivables and prepayments		183	148	405
Taxation assets		-	18	323
Amounts owing by subsidiary companies	7	154 970	33 939	132 700
Cash and bank balances		-	-	-
TOTAL ASSETS		3 509 180	3 526 361	3 389 131
EQUITY AND LIABILITIES				
Capital and reserves		3 479 621	3 509 624	3 372 293
Stated capital	8	235 541	235 541	235 541
Equity-settled employee benefits reserve	9	-	-	3 592
BBBEE share-based payment reserve		82 316	82 316	82 316
Retained earnings		3 161 764	3 191 767	3 050 844
Current liabilities		29 559	16 737	16 838
Financial guarantees	10	26 088	14 257	14 562
Other payables	11	3 471	2 480	2 276
TOTAL EQUITY AND LIABILITIES		3 509 180	3 526 361	3 389 131

* Refer to restatements of prior period in note 5.

BELL EQUIPMENT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Notes	2023 R000	Restated * 2022 R000
Revenue	12	84 032	66 341
Other operating income		9	55
Administration expenses		(14 525)	(11 377)
Preference shares fair value re-measurement	7	-	131 041
Change in fair value of financial guarantees	10	(11 831)	305
Profit from operating activities	13	57 685	186 365
Interest income	14	5	14
Profit before taxation		57 690	186 379
Taxation	15	(1 626)	(667)
Profit for the year		56 064	185 712
Other comprehensive income		-	-
Total comprehensive income for the year		56 064	185 712

* Refer to restatements of prior period in note 5.

BELL EQUIPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Stated capital R000	Equity-settled employee benefits reserve R000	BBBEE share-based payment reserve R000	Retained earnings * R000	Total * R000
Balance at 1 January 2022 - as previously reported	235 541	3 592	-	3 196 447	3 435 580
Effect of errors and change in accounting policy relating to prior periods *	-	-	82 316	(145 603)	(63 287)
Balance at 1 January 2022 - restated *	235 541	3 592	82 316	3 050 844	3 372 293
Total comprehensive income for the year - restated *	-	-	-	185 712	185 712
Decrease in equity-settled employee benefits reserve	-	(3 592)	-	3 026	(566)
Dividends paid	-	-	-	(47 815)	(47 815)
Balance at 31 December 2022 - restated *	235 541	-	82 316	3 191 767	3 509 624
Total comprehensive income for the year	-	-	-	56 064	56 064
Dividends paid	-	-	-	(86 067)	(86 067)
Balance at 31 December 2023	235 541	-	82 316	3 161 764	3 479 621

* Refer to restatements of prior period in note 5.

BELL EQUIPMENT LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	2023 R000	Restated * 2022 R000
CASH FLOW GENERATED FROM OPERATING ACTIVITIES		
Profit from operating activities	57 685	186 365
Adjustments for:		
Fair value re-measurement on cumulative redeemable preference shares	-	(131 041)
Change in fair value of financial guarantees	11 831	(305)
Impairment loss recognised on investments in subsidiary companies	-	47
Interest income accrued	(40 254)	(31 334)
Cash generated from operations before working capital changes	29 262	23 732
(Increase) decrease in other receivables and prepayments	(35)	257
Decrease in amounts owing by subsidiary companies	57 452	23 970
Increase in other payables	991	204
Cash generated from operations	87 670	48 163
Interest received	5	14
Taxation paid	(1 608)	(362)
Net cash generated from operating activities	86 067	47 815
CASH FLOW UTILISED IN FINANCING ACTIVITIES		
Dividends paid	(86 067)	(47 815)
Utilised in financing activities	(86 067)	(47 815)
Net movement in cash for the year **	-	-
Net cash at beginning of the year **	-	-
Net cash at end of the year **	-	-

* Refer to restatements of prior period in note 5.

** The bank balance is swept to the company's subsidiary, Bell Equipment Group Services Proprietary Limited, on a daily basis.

1 **General information**

Bell Equipment Limited (the company) is a public company incorporated in South Africa. The addresses of its registered office and principal place of business are disclosed on page 1. The principal activities of the company are described in the directors' report under the heading nature of business.

2 **Accounting framework**

2.1 **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and in accordance with the requirements of the Companies Act in South Africa.

Basis of accounting

The material accounting policies adopted are set out below and in the related notes to the annual financial statements.
The financial statements have been prepared on the historical cost basis unless otherwise stated in the accounting policies.
The accounting policies are consistent with those applied to the previous year, except as reflected in notes 3.1 and 5.

Consolidated annual financial statements have been prepared at a Bell group level and have been separately issued. Bell Equipment Limited is the holding company of the Bell group.

2.2 **Principal accounting policies**

2.2.1 **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the 'functional currency'). The financial statements are presented in South African Rand, which is the company's functional and presentation currency, rounded to the nearest thousand.

Transactions and balances

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary balances denominated in foreign currencies are retranslated at the rates prevailing at that date.

Gains and losses arising on translation of foreign currency transactions are dealt with in profit or loss.

3 **Adoption of new and amended international financial reporting standards and interpretations**

In the current year the company has adopted all of the amended standards issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2023.

3.1 **New and amended standards adopted**

During the current year, the company adopted certain new and amended standards which had no significant impact on the company's financial statements, except for the following:

New

IFRS 17 - Insurance Contracts

The impact of *IFRS 17 Insurance Contracts* on the financial statements is disclosed in note 5.

3.2 **Standards and amendments in issue not yet adopted**

At the date of authorisation of these financial statements, the following amended standards relevant to the company were in issue but not yet effective.

	Effective date for annual periods beginning on or after:
Amended	
IAS 1 - Presentation of Financial Statements: Amendments regarding non-current liabilities with covenants	1 January 2024
IAS 1 - Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2024

All above amended accounting standards are not anticipated to have a significant impact on the company's financial statements in future periods when these are adopted.

4 **Significant accounting judgements and accounting estimates**

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments. These judgements made by management are described below:

a) Judgements in respect of the impairment of investments in subsidiary companies and amounts owing by subsidiary companies (refer to notes 6 and 7).
b) Judgements and estimates in respect of financial guarantee contracts (refer to note 10).

5 **Prior period errors and change in accounting policy**

Prior period errors

(a) In the current year the company re-assessed the minimum net values at which BECSA Holdings Limited will redeem the preference shares. As a result the company corrected the fair values of the cumulative redeemable preference shares in BECSA Holdings Limited, disclosed in the prior years.

(b) It was identified in the current year that the company had not recognised its obligation to bear the cost of settling the share-based payment expense of its subsidiaries by including the equivalent expense recognised by the subsidiaries within its investments in those subsidiaries, as required by IFRS 2. The contra entry is to equity, reflecting the share-based payment obligation to the option holders. This was corrected in the current year.

Prior periods have been restated accordingly.

Change in accounting policy

The company has historically applied *IFRS 4 Insurance Contracts* to account for and disclose financial guarantee contracts. Guarantees are provided by the company in respect of facilities granted to certain subsidiary companies. These facilities include overdrafts, mortgage loans and trade credit. With the introduction of *IFRS 17 Insurance Contracts* management considered the accounting policy choice between IFRS 17 and *IFRS 9 Financial Instruments* in order to measure and recognise these financial guarantee contracts. Management has opted to apply IFRS 9 to fair value the contracts, with disclosures in accordance with *IFRS 7 Financial Instruments: Disclosures* . Comparatives have been restated accordingly.

The prior period error and change in accounting policy adjustments are as follows:

5.1 The following items within the consolidated statement of financial position were impacted:

AS AT 31 DECEMBER 2022	As previously reported R000	Correction of errors R000	Change in accounting policy R000	Restated R000
ASSETS				
Non-current assets	3 409 940	82 316	-	3 492 256
Investments in subsidiary companies	1 684 879	82 316	-	1 767 195
TOTAL ASSETS	3 444 045	82 316	-	3 526 361
EQUITY AND LIABILITIES				
Capital and reserves	3 441 565	82 316	(14 257)	3 509 624
BBBEE share-based payment reserve	-	82 316	-	82 316
Retained earnings	3 206 024	-	(14 257)	3 191 767
Current liabilities	2 480	-	14 257	16 737
Financial guarantees	-	-	14 257	14 257
TOTAL EQUITY AND LIABILITIES	3 444 045	82 316	-	3 526 361
AS AT 1 JANUARY 2022				
ASSETS				
Non-current assets	3 304 428	(48 725)	-	3 255 703
Investments in subsidiary companies	1 685 492	82 316	-	1 767 808
Amounts owing by subsidiary companies	1 618 936	(131 041)	-	1 487 895
TOTAL ASSETS	3 437 856	(48 725)	-	3 389 131
EQUITY AND LIABILITIES				
Capital and reserves	3 435 580	(48 725)	(14 562)	3 372 293
BBBEE share-based payment reserve	-	82 316	-	82 316
Retained earnings	3 196 447	(131 041)	(14 562)	3 050 844
Current liabilities	2 276	-	14 562	16 838
Financial guarantees	-	-	14 562	14 562
TOTAL EQUITY AND LIABILITIES	3 437 856	(48 725)	-	3 389 131

5.2 The following items within the statement of profit or loss and other comprehensive income were impacted:

FOR THE YEAR ENDED 31 DECEMBER 2022	As previously reported R000	Correction of error R000	Change in accounting policy R000	Restated R000
Revenue	66 341	-	-	66 341
Other operating income	55	-	-	55
Administration expenses	(11 377)	-	-	(11 377)
Preference shares fair value re-measurement	-	131 041		131 041
Change in fair value of financial guarantees	-	-	305	305
Profit from operating activities	55 019	131 041	305	186 365
Interest income	14	-	-	14
Profit before taxation	55 033	131 041	305	186 379
Taxation	(667)	-	-	(667)
Profit for the year	54 366	131 041	305	185 712
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	54 366	131 041	305	185 712

5.3 The following items within the consolidated statement of cash flows were impacted:

FOR THE YEAR ENDED 31 DECEMBER 2022	As previously reported R000	Correction of error R000	Change in accounting policy R000	Restated R000
CASH FLOW GENERATED FROM OPERATING ACTIVITIES				
Profit from operating activities	55 019	131 041	305	186 365
Adjustments for:				
Fair value re-measurement on cumulative redeemable preference shares	-	(131 041)	-	(131 041)
Change in fair value of financial guarantees	-	-	(305)	(305)
Impairment loss recognised on investments in subsidiary companies	47	-	-	47
Interest income accrued	(31 334)	-	-	(31 334)
Cash generated from operations before working capital changes	23 732	-	-	23 732

6 Investments in subsidiary companies

Accounting policy

The company's investment in subsidiary companies comprises of equity investments. The company accounts for investments in subsidiary companies at cost less accumulated impairment losses.

Investments in subsidiary companies are assessed annually for indicators of impairment. Impairments are assessed with reference to the projected profitability of the subsidiary companies. Where indicators of impairment exist, the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount of the investment, the carrying amount is reduced to its recoverable amount. Any impairment loss is recognised in profit or loss.

	2023 R000	Restated * 2022 R000
Local subsidiaries		
Shares at cost	1 068 905	1 068 905
BBBEE share-based payment	82 316	82 316
Total local subsidiaries	1 151 221	1 151 221
Foreign subsidiaries		
Balance at beginning of the year	615 974	616 587
Impairment losses recognised on investment in I A Bell Equipment Company (Namibia) (Proprietary) Limited	-	(613)
Total foreign subsidiaries	615 974	615 974
Total investments in subsidiary companies	1 767 195	1 767 195

* Refer to restatements of prior period in note 5.

	Effective holding % 2023	Effective holding % 2022
Southern Africa		
BECSA Holdings Limited (a)	100	100
Bell Equipment Company SA Proprietary Limited (BECSA) (a)	100	100
Bell Equipment Group Services Proprietary Limited (BEGS)	100	100
Bell Equipment Sales South Africa Limited (BESSA) (a)(b)	78	78
Bell Equipment SA Holdings Limited (BHL) (a)	100	100
Bell Equipment Company (Swaziland) (Proprietary) Limited	100	100
K2017044733 (South Africa) (RF) Proprietary Limited (BESSA BEE SPV) (a)(b)	-	-
Bell Equipment Foundation Trust (BEF) (a)(b)	-	-
Bell Equipment Properties SA Proprietary Limited (BEPSA)	100	100
K2019577563 (South Africa) (RF) Proprietary Limited (BEE Manco) (a)	-	-
Other Africa		
Bell Equipment Company (Zambia) Limited	100	100
Bell PTA (Private) Limited	100	100
Europe		
Bell Equipment International SA	100	100
Bell International Finance Limited	100	100
Bell Euro Finance Limited	100	100
Bell France SAS	100	100
Bell Equipment UK Limited	100	100
Bell Equipment (Deutschland) GmbH	100	100
Bell Equipment Russland LLC	100	100
United States of America		
Bell Equipment North America Inc.	100	100
Australasia		
Bell Equipment Australia Pty Limited	100	100

Except for K2017044733 (South Africa) (RF) Proprietary Limited, the Bell Equipment Foundation Trust and K2019577563 (South Africa) (RF) Proprietary Limited, the company's control is exercised directly by holding the majority of the voting rights of the ordinary shares in all its subsidiaries as indicated above. Refer to the company's assessment of control over the BESSA BEE SPV, BEF and BEE Manco in notes 6.1.1, 6.1.2 and 6.2.1.

(a) BBBEE ownership transaction concluded in 2019

During 2019 the company entered into a BBBEE transaction for BECSA and BESSA. Details of the transaction are disclosed in note 6.2.

(b) BBBEE ownership transaction concluded in 2017

During 2017 the company entered into a BBBEE ownership transaction for BESSA. In terms of this transaction, the BESSA BEE SPV and a broad based trust, Bell Equipment Foundation Trust, acquired 22,5% and 7,5% respectively of the issued share capital of BESSA. The structure is described in note 6.1.

6 **Investments in subsidiary companies (continued)**

6.1 **BBBEE ownership transaction concluded in 2017 - BESSA**

6.1.1 **The BESSA BEE SPV (K2017044733 (South Africa) (RF) Proprietary Limited)**

The BESSA BEE SPV is 100% owned by the selected BBBEE partner through a company named Sibi Capital Proprietary Limited (Sibi). Sibi, whose ultimate shareholders are Sindisiwe Mabaso-Koyana and Bharti Harie, is 100% black women owned.

There is a lock-in period of 10 years during which the BESSA BEE SPV is precluded from carrying out certain activities without the prior written consent of the company. The BESSA BEE SPV may not during the lock-in period effect any transaction that will affect it's shareholding in BESSA or its BBBEE credentials through Sibi. Sibi is required to remain a black women owned entity and to maintain its BBBEE status at all times whilst a shareholder of the BESSA BEE SPV.

At the end of the 10 year period, the BESSA BEE SPV may sell its shares subject to pre-emptive rights in favour of the company. If the company does not elect to acquire such shares, the BESSA BEE SPV may transfer such shares to eligible third parties who have an equal or greater BBBEE status. The company also has a call option to acquire the BBBEE shareholders' shares in BESSA after 5 years or at any time if:
- the BBBEE legislation is amended with a retrospective adverse effect for the group;
- BESSA loses its BBBEE status as a 30% black women owned entity;
- an offer is made by a third party to acquire at least 30% of the shares in the company held by a single shareholder and its related parties.

The amount payable for the shares shall be the designated value as per the agreement less a 10% discount.

Control over the BESSA BEE SPV

The Bell group established this entity with the sole purpose to acquire and maintain BBBEE credentials for Bell Equipment Sales South Africa Limited (BESSA). The activities of this entity are predetermined and designed in such a way that any amendment to the mandate in terms of the Memorandum of Incorporation requires the company's approval. Even though all the ordinary shares in the entity are held by external shareholders, the BESSA BEE SPV cannot effect any transaction that affects its shareholding in BESSA and its BBBEE credentials without the written consent from the company. As such, management concludes that the Bell group has power over the BESSA BEE SPV and has the ability to direct and affect the variable returns from its involvement with the BESSA BEE SPV. The company therefore controls the BESSA BEE SPV. The entity is also a shareholder in the 2019 BEE transaction described in note 6.2 below.

6.1.2 **The broad based trust**

The broad based trust is known as the Bell Equipment Foundation (BEF) and the beneficiaries of the trust are black women. The objectives of the trust are to acquire and hold investments and to use trust income to support black women in South African communities by financially assisting them with their education or their businesses.

Control over the broad based trust

In terms of the trust deed, the company may at any time appoint or remove trustees. The company also directs the activities by determining the approved list of beneficiaries to whom distributions should be made by the trust in order to achieve the trust objectives. The decision making powers around the design and the purpose of the trust remains with the company. These activities allow the company to obtain variable returns from the BBBEE credentials in the trust. The company therefore controls the trust. The trust is also a shareholder in the 2019 BEE transaction described in note 6.2 below.

6.2 **BBBEE ownership transaction concluded in 2019 - BECSA and BESSA**

In 2019 another BBBEE transaction was concluded in terms of which the group’s manufacturing subsidiary, BECSA, and the group's sales and aftermarket support operation in South Africa, BESSA, both became 51% black people owned companies with effect from 1 January 2020.

The BEE shareholders in this BEE transaction are the following:
- key black executives in the group (through BEE Manco) (refer to note 6.2.1); and
- the existing BESSA BEE shareholders, BESSA BEE SPV, as well as BEF the beneficiaries of which are black women.

The BBBEE parties are required to sell their shareholding to the company at the end of the 10 year lock-in period in exchange for cash, shares in the company or another group entity or a combination of shares and cash, at the company's discretion. The BBBEE parties were effectively granted an option to acquire Bell shares.

6.2.1 **Structure of BEE shareholding**

A BEE management company (BEE Manco) was incorporated, the shareholders of which are BEE employees at management level of the group, being Avishkar Goordeen, Dominic Chinnappen, Sheetal Maharaj, Ryan Britain *, Niraj Andhee and Bruce Ndlela (the Managers).

Effective 51% black ownership in BECSA

BESSA BEE SPV, BEF and BEE Manco collectively hold 30% of the issued ordinary shares of BECSA Holdings, resulting in an effective 30% shareholding in BECSA. In addition, BEE Manco has an effective 21% shareholding in BECSA through its 30% shareholding in BHL.

Effective 51% black ownership in BESSA

BEE Manco has an effective 21% shareholding in BESSA through its 30% shareholding in BHL. In addition, BESSA BEE SPV and BEF collectively hold 30% of the issued ordinary shares in BESSA from the 2017 BEE transaction.

Control over BEE Manco (K2019577563 (South Africa) (RF) Proprietary Limited)

The Bell group established this entity with the sole purpose to acquire and maintain BBBEE credentials for BECSA and BESSA. BEE Manco is subject to a 10 year lock-in period during which the entity will be unable to sell shares held in the Bell group. The directors of BEE Manco have limited power to make decisions without the prior approval of the company. The company has power to direct the relevant activities of BEE Manco during the lock-in period. The company has the right to variable returns from its involvement with BEE Manco and has the ability to affect those returns through its power over BEE Manco. The company therefore controls BEE Manco.

* During the year Ryan Britain resigned and his shareholding was transferred to the group's broad based trust.

7 **Amounts owing by subsidiary companies**

Accounting policy

Preference shares and loans to subsidiary companies, other than the preference shares held in BECSA Holdings Limited, are non-derivative financial assets that are not quoted in an active market and are recognised at amortised cost, less allowance for expected credit losses. The company's business objective is to collect the contractual cash flows from these financial assets. Cash flows that arise from these preference shares and loans to subsidiary companies are solely payments of principal and interest.

The preference shares held in BECSA Holdings Limited are measured at fair value through profit or loss. A minimum net value is guaranteed for the BECSA Holdings Limited ordinary shares. To ensure the minimum net value, the amount at which BECSA Holdings Limited will redeem the preference shares is the lower of:
(a) the face value plus coupon less redemption, or
(b) an amount guaranteed to give net value points (such that the BEE party has an unencumbered share in BECSA Holdings Limited at year nine).
The net value redemption amount per (b) above is an embedded derivative with the preference share being the host contract.

Impairment

At the end of the reporting period, the company determines if there is a significant increase in credit risk since initial recognition on the non-derivative amounts owing by subsidiary companies. Where credit risk has increased significantly since initial recognition the company assesses the asset for lifetime expected credit losses. Where there is no significant increase in credit risk since initial recognition, the company considers the probability of expected credit losses to be low and no impairment is made.

		2023	2022
7.1	Amounts owing by:	**R000**	**R000**
	Bell Equipment Company SA Proprietary Limited - loan (i)	75 563	75 563
	- Class A preference shares (ii)	57 142	57 142
	- Class B preference shares (ii)	799 940	799 940
	Bell Equipment Group Services Proprietary Limited (iii) (current)	144 977	20 811
	Bell Equipment Company (Swaziland) (Proprietary) Limited (iv) (current)	5 609	7 878
	K2017044733 (South Africa) (RF) Proprietary Limited (current)	66	81
		1 083 297	961 415

(i) The amount owing relates to a non-interest-bearing loan. The loan is unsecured and has no fixed terms of repayment.

(ii) As part of the 2019 BEE Transaction, BECSA declared a dividend to the company which was used to subscribe for preference shares in BECSA. These preference shares are cumulative, redeemable, non-participating shares.

	Class A	Class B
Number of shares	6 667	93 333
Redeemable at the option of BECSA on or before	22 June 2030	22 June 2040
Coupon rate per annum after tax	Prime interest rate in South Africa	0% for first 10 years, thereafter prime interest rate in South Africa

(iii) The amount owing relates to interest and bank guarantee fees swept to BEGS's bank account. The loan is unsecured and has no fixed terms of repayment.

(iv) The amount owing relates to an interest-bearing loan which is unsecured and has no fixed terms of repayment.

			Restated *
		2023	2022
		R000	**R000**
7.2	Amounts owing by Bell Equipment Foundation Trust		
	Non-interest-bearing loan (current)	420	799
	The loan to Bell Equipment Foundation Trust has no interest and is repayable on demand.		
7.3	Amounts owing by Bell Equipment SA Holdings Limited (BHL)		
	Cumulative redeemable preference shares (v)		
	- cumulative redeemable preference shares	81 000	81 000
	- coupon accrued	23 876	16 241
	- coupon repaid	(14 000)	-
		90 876	97 241
	(v) This relates to the BBBEE ownership transaction as described in note 6.2. The preference shares are redeemable at the option of BHL on or before 31 December 2029. The coupon rate is based on the prime interest rate in South Africa plus 1.5% per annum after tax (2022: prime plus 1.5%).		
7.4	Amounts owing by BECSA Holdings Limited		
	Cumulative redeemable preference shares (vi)		
	- cumulative redeemable preference shares	327 069	350 000
	- coupon accrued	102 794	70 175
	- coupon repaid	(91 552)	-
	Preference share face value plus coupon less redemption	338 311	420 175
	Less interest-free loans to Bell Equipment Group Services Proprietary Limited	-	(76 807)
	Net preference share value	338 311	343 368
	Net value redemption amount	373 229	1 055 941
	Lower of net preference share value and net value redemption amount	338 311	343 368
	Fair value re-measurement through profit or loss	-	131 041

* Refer to restatements of prior period in note 5.

7 **Amounts owing by subsidiary companies (continued)**

	2023 R000	2022 R000
(vi) This relates to the BBBEE ownership transaction as described in note 6.2.		
The preference shares are redeemable at the option of BECSA Holdings Limited on or before 31 December 2029.		
The coupon rate is based on the prime interest rate in South Africa plus 1.5% per annum after tax (2022: prime plus 1.5%).		
In the current year the designated amount in (a) above was lower than the guaranteed amount in (b) above, as determined by an independent valuator, and therefore no re-measurement (2022: R131,0 million gain) was required.		
Key inputs into the fair valuation of the preference shares were the following:		
- the valuation of the Richards Bay manufacturing entity (BECSA), a component of the OEM CGU, and the key inputs and assumptions relating to this valuation, as described in note 5 of the Bell Equipment Limited consolidated financial statements.		
- the preference share terms as reflected in the MOI of the issuer of the preference shares.		
- the BEE Codes in South Africa.		
7.5 Amounts owing by Bell Equipment Sales South Africa Limited		
Cumulative redeemable preference shares (vii)		
- cumulative redeemable preference shares	225 000	275 000
- coupon accrued (current)	3 898	4 370
	228 898	279 370
(vii) This relates to the BBBEE ownership transaction as described in note 6.1.		
The preference shares are redeemable at the option of the company on or after 6 April 2020 or at any time by BESSA.		
The coupon rate is based on the prime interest rate in South Africa plus 3% per annum after tax. The coupon rate for 2023 was 10.52% (2022: 10.5%) per annum.		
Total amounts owing by subsidiary companies	1 741 802	1 759 000
Less: current portion	(154 970)	(33 939)
Long-term portion of amounts owing by subsidiary companies	1 586 832	1 725 061

Related party balances are disclosed in note 17.

8 **Stated capital**

	2023 R000	2022 R000
Authorised		
100 000 000 (2022: 100 000 000) ordinary shares of no par value		
Issued		
95 629 385 (2022: 95 629 385) ordinary shares of no par value	235 541	235 541

9 **Equity-settled employee benefits reserve**

	2023 R000	2022 R000
Balance at beginning of the year	-	3 592
Decrease in equity-settled employee benefits reserve	-	(3 592)
Balance at end of the year	-	-

Equity-settled employee share option plan

Share options were granted to senior employees under this scheme during 2010 to 2012. All outstanding options under this scheme expired during 2022 as detailed below.
The scheme is no longer in operation.

	2023		2022	
	Number of options	**Weighted average exercise price R**	**Number of options**	**Weighted average exercise price R**
Balance at beginning of the year	-	-	372 000	21.35
Expired during the year	-	-	(372 000)	21.35
Balance at end of the year	-	-	-	-

10 **Financial guarantees**

Accounting policy

The company has issued guarantees to certain banks and suppliers for credit facilities granted to subsidiaries. Financial guarantee contracts are recognised as a financial liability at fair value at the time the guarantee is issued. Subsequent to initial recognition the contracts are measured at the higher of:

• the amount determined in accordance with the expected credit loss (ECL) model under *IFRS 9 Financial Instruments* , measured on a one-year or lifetime basis, depending on the IFRS 9 stage of the loan; and

• the amount initially recognised at fair value less accumulated amortisation in terms of *IFRS 15 Revenue from Contracts with Customers* .

The company accounts for the fair value of the guarantee at the time of issue and any subsequent changes in the measurement of the guarantee in the statement of profit or loss.

Refer to note 5 for the change in accounting policy.

	2023 R000	2022 R000
Balance at beginning of the year	14 257	14 562
Fair value adjustment charged (credited) to the statement of profit or loss and other comprehensive income	11 831	(305)
Balance at end of the year	26 088	14 257

Specialists were engaged to determine the fair values of the financial guarantee contracts.

The key inputs into the valuations performed were as follows:

1. Facility details, including remaining term and contractual cash flows over the life of loans.
2. Covenants in place.
3. Financial information of the borrowers and guarantors.
4. Credit ratings associated with the borrowers and the guarantors to determine probability of default. Credit ratings obtained from Moody's RiskCalc were relied on for this.
5. The assumed cost of capital was 16%, based on market benchmarks and the level used by South African banks for pricing transactions.
6. Basel IRB formulas for calculating the increase in capital requirements relating to facilities and the change in risk profile between the guarantor and the borrower.
7. A credit conversion factor of 50% on revolving facilities was used, which aligns with Basel standardised requirements.
8. For secured loss given defaults, the underlying asset values were considered, including the fair values of properties and haircuts typically applied to such collateral.
9. For all unsecured facilities, a loss given default of 40% was used, as prescribed by Basel III.
10. Funding costs for all facilities was assumed to be 16%.
11. Drawn versus committed facilities - the total benefit was calculated at 50% of the total committed facilities.
12. All loans are classified in Stage 1 and therefore attract a 12-month ECL.
13. Expected losses are discounted at the effective interest rate to the reporting date.

The amount at which the financial guarantees are recognised is based on the probability that the entity will be called upon to honour the guarantees. The value of the financial guarantee liability was determined by calculating the fair value less accumulated amortisation and the expected credit loss of the respective borrowers over the term of the credit. The fair value of the guarantees is determined based on the difference in the present value of cash flows relating to the contractual payments required under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the guarantee obligations.

Refer to note 38 of the Bell Equipment Limited consolidated financial statements for the details of the guaranteed borrowings.

At 31 December 2023, in almost all instances the ECL was higher than the fair value less accumulated amortisation.

	Instrument value	Average 1 year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
	R000	%	%	%	%	R000
Instrument						
Fair value as at 31 December 2023 of financial guarantees based on 1 year						
The company has guaranteed obligations of subsidiaries related to the following:						
Banking and trade credit facilities	2 168 814	2.26%	37.73%	0.85%	1.20%	26 088
Total liability raised as at 31 December 2023						26 088
Total debit to the statement of profit or loss						11 831

	Instrument value	Average 1 year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
	R000	%	%	%	%	R000
Instrument						
Fair value as at 31 December 2022 of financial guarantees based on 1 year						
The company has guaranteed obligations of subsidiaries related to the following:						
Banking and trade credit facilities	1 597 687	1.37%	37.14%	0.51%	0.89%	14 257
Total liability raised as at 31 December 2022						14 257
Total credit to the statement of profit or loss						(305)

11 **Other payables**

Accounting policy

Other payables are classified as financial liabilities at amortised cost and are measured at amortised cost.

	2023 R000	2022 R000
Other payables *	3 471	2 480

* Other payables include sundry creditors and expense accruals.

The directors consider that the carrying amount of other payables approximates their fair value.

12 **Revenue**

Accounting policy

The company recognises revenue in a way that depicts the transfer of services promised to its subsidiaries in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. The company recognises revenue when it has satisfied its performance obligation in terms of the contract with the subsidiary and when it transfers control of the service to the subsidiary.

Revenue recognition

The company recognises revenue from the following major sources from its subsidiaries:
- management fees
- bank guarantee fees
- dividends from equity investments
- interest income

12.1 **Management fees**

Management fees received are recognised as revenue as and when the administrative services have been rendered.

12.2 **Bank guarantee fees**

Bank guarantee fees are recognised as revenue when the services have been rendered.

12.3 **Dividends from equity investments**

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

12.4 **Interest income**

Interest income is recognised using the effective interest method.

	2023 R000	2022 R000
Revenue represents		
Management fees	3 000	3 000
Bank guarantee fees	7 249	3 973
Dividends from equity investments *	1 070	830
Interest income	72 713	58 538
Total revenue	84 032	66 341
Timing of revenue recognition		
At a point in time		
Dividends from equity investments *	1 070	830
Total	1 070	830
Over time		
Management fees	3 000	3 000
Bank guarantee fees	7 249	3 973
Interest income	72 713	58 538
Total	82 962	65 511
Total revenue	84 032	66 341

Related party transactions are disclosed in note 17.

* Dividends were declared to the company as follows:

	2023 R000	2022 R000
I A Bell Equipment Company (Namibia) (Pty) Limited	-	95
Bell Equipment SA Holdings Limited	1 070	735
Total	1 070	830

13 **Profit from operating activities**

	2023 R000	Restated * 2022 R000
Profit from operating activities is arrived at after taking into account:		
Income		
Change in fair value of financial guarantees	-	305
Currency exchange gains	2	-
Preference shares fair value re-measurement through profit or loss **	-	131 041
Expenditure		
Auditors' remuneration		
- audit fees - current	2 574	1 904
- audit fees - prior	366	214
- audit fees - other services	-	11
Change in fair value of financial guarantees	11 831	-
Consulting fees	1 641	991
Impairment loss recognised on investments in subsidiary companies	-	47
Non-executive directors' fees	6 595	5 575

* Refer to restatements of prior period in note 5.
** Refer to note 7.

Details of remuneration paid to non-executive directors of the company are set out in note 19.

14 Interest income

	2023 R000	2022 R000
Interest income earned on the following:		
The South African Revenue Service (SARS)	5	14
Total interest income	5	14

15 Taxation

Accounting policy

The taxation expense represents the sum of the taxation currently payable.

Current taxation

The current taxation asset is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. No deferred taxation has been recognised as the company has no taxable temporary differences. The company's current taxation is calculated using taxation rates that have been enacted or substantively enacted by the end of the reporting period. Current taxation is recognised in profit or loss.

	2023 R000	2022 R000
Taxation recognised in profit or loss		
South African normal taxation		
Current taxation - current year	1 612	983
- prior year	(140)	(408)
Withholding taxation	154	92
Total taxation charge recognised in profit or loss	1 626	667

	2023	Restated * 2022
Reconciliation of rate of taxation (%)		
Standard rate of taxation	27	28
Adjustment for:		
Exempt dividend income	(1)	-
Exempt accounting interest	(34)	(9)
Exempt change in fair value of financial guarantees	6	(20)
Disallowed expenses	5	1
Effective rate of taxation	3	-

* Refer to restatements of prior period in note 5.

16 **Financial instruments**

Financial assets

Financial assets carried on the statement of financial position are classified into the following category:
- financial assets at amortised cost.

Classification is determined by both the company's business model as well as the contractual cash flow characteristics of the asset. Financial assets carried on the statement of financial position include amounts owed by subsidiary companies. The company's business model for this category is disclosed in note 7.

Financial liabilities

Financial liabilities carried on the statement of financial position are classified into the following category:
- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include financial guarantees and other payables.

Offsetting financial instruments

Financial assets and liabilities are offset where the company has a legal and enforceable right to set off the recognised amounts and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

	2023 R000	2022 R000
Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
- Amounts owing by subsidiary companies	1 741 802	1 759 000
Total financial assets	1 741 802	1 759 000
Financial liabilities		
Financial liabilities at amortised cost		
- Financial guarantees	26 088	14 257
- Other payables	1 321	972
Total financial liabilities	27 409	15 229

The directors consider that the carrying amount of financial assets and financial liabilities approximate their fair value.

16 **Financial instruments (continued)**

Financial risk management

The company's approach to risk management includes being able to identify, describe and analyse risks at all levels, with mitigating actions being implemented at the appropriate point of activity. The overall risk strategy remains unchanged with emphasis on sustainability and liquidity.

In the normal course of its operations, the company is exposed to capital, liquidity, credit and market risks (foreign currency risk).

The group's treasury function provides services to the company, co-ordinates access to financial markets, monitors and manages the financial risks relating to operations of the company through internal risk reports which analyse exposures and the magnitude of risks.

16.1 **Capital risk management**

The company's overall strategy is to secure the long-term sustainability of the company. This is consistent with the prior year.

The capital structure of the company consists of all components of equity, comprising issued capital and reserves, as disclosed in notes 8 to 9, and retained earnings.

16.2 **Liquidity risk**

The company manages liquidity risk by management of investments in and amounts owing by subsidiary companies.

16.3 **Credit risk**

Credit risk consists mainly of indebtedness by subsidiaries. The company's credit risk is regularly monitored by management.

The carrying amount of financial assets recorded in the financial statements, represents the company's maximum exposure to credit risk.

The directors consider that the carrying amount of amounts owing by subsidiary companies approximates their fair value.

16.4 **Market risk**

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. There has been no change to the company's exposure to market risk or the manner in which it is managed.

16.4.1 **Currency risk**

The company undertakes certain transactions denominated in foreign currencies. As a result, the company is exposed to foreign currency risk due to exchange rate movements. The company is mainly exposed to the United States Dollar and the Euro. During the current year, there was no significant foreign currency impact on the company's financial statements. There were no foreign currency denominated monetary balances in the statement of financial position at year-end.

17 Related party transactions

Accounting Policy

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties have been defined as shareholders, subsidiaries and key management personnel (directors and the company's executive committee) including close members of their families, and entities over which these individuals or their close family members have a controlling interest.

Related party transactions constitute the transfer of resources, services or obligations between the company and a party related to the company, regardless of whether a price is charged.

The company enters into various transactions with related parties. All transactions are carried out on an arms length basis on terms no more favourable than those entered into with third parties, with the exception of those transactions entered into with the BBBEE parties below.

Details of transactions between the company and related parties and balances at the year-end are detailed below:

	2023 R000	2022 R000
Subsidiaries		
Bell Equipment Company SA Proprietary Limited		
- coupon income on redeemable preference shares	4 760	3 537
- amounts owing by	75 563	75 563
- amounts owing by - preference shares	857 082	857 082
Bell Equipment Group Services Proprietary Limited		
- management fee received	3 000	3 000
- amounts owing by	144 977	20 811
Bell Equipment Sales South Africa Limited		
- coupon income on redeemable preference shares	27 132	22 963
- amounts owing by - preference shares	228 898	279 370
I A Bell Equipment Company (Namibia) (Proprietary) Limited		
- dividend received	-	95
Bell Equipment Company (Swaziland) (Proprietary) Limited		
- interest received	567	704
- amounts owing by	5 609	7 878
Bell Equipment Foundation Trust		
- amounts owing by	420	799
Bell Equipment International SA		
- bank guarantee fee received	195	172
Bell International Finance Limited		
- bank guarantee fee received	79	71
Bell Euro Finance Limited		
- bank guarantee fee received	111	98
Bell Equipment (Deutschland) GmbH		
- bank guarantee fee received	6 330	3 152
Bell Equipment UK Limited		
- bank guarantee fee received	48	42
Bell Equipment Company (Zambia) Limited		
- bank guarantee fee received	486	437
BECSA Holdings Limited		
- coupon income on redeemable preference shares	32 619	25 445
- amounts owing by - preference shares	338 311	420 175
Bell Equipment SA Holdings Limited		
- coupon income on redeemable preference shares	7 635	5 889
- amounts owing by - preference shares	90 876	97 241
- dividend received	1 070	735
K2017044733 (South Africa) (RF) Proprietary Limited (BESSA BEE SPV)		
- amounts owing by	66	81

No amount was recognised in the current period for expected credit losses and no amounts have been written off as credit-impaired. There have been no defaults on payments in the past.

Compensation of key management personnel

The remuneration of executive and non-executive directors of the company is disclosed in note 19 and cash-setteld share awards held by directors of the company are disclosed in note 20.

18 **Subsequent events**

No fact or circumstance material to the appreciation of this report has occurred between 31 December 2023 and the date of this report.

19 **Directors' remuneration**

Paid to executive directors of the company by the company's subsidiary:

Executive directors	Salary R000	Pension/ Provident fund R000	Incentive payment R000	Other benefits and allowances R000	2023 Total R000	2022 Total R000
L Goosen (resigned with effect from 31 December 2023)	5 089	597	4 088	1 630	11 404	6 715
KJ van Haght	3 408	396	2 401	102	6 307	4 424
A Goordeen (alternate executive director)	2 894	343	2 252	702	6 191	3 998
Total	**11 391**	**1 336**	**8 741**	**2 434**	**23 902**	**15 137**

Other benefits and allowances comprise vehicle allowances, travel allowances and reimbursive allowances, annual leave encashments and the group's contributions to medical aid and life insurance.

Paid to non-executive directors of the company by the company:	2023 Fees Total R000	2022 Fees Total R000
Non-executive directors		
AJ Bell (appointed group chief executive officer with effect from 1 January 2024)	559	568
GW Bell	1 082	956
DH Lawrance	1 077	927
R Naidu	910	793
ME Ramathe	727	692
HR van der Merwe	1 278	803
U Maharaj (appointed 1 April 2022)	542	491
M Geyer (appointed 1 April 2022)	420	345
Total	**6 595**	**5 575**

20 **Share awards held by directors**

The following reconciles the number of phantom share awards held by directors of the company at the end of the year. Details of this cash-settled share award plan are disclosed in note 21.

		Number of awards								
Executive directors	**Grant date**	**Strike price**	**Balance at 31 December 2021**	**Granted**	**Expired**	**Balance at 31 December 2022**	**Granted**	**Settled**	**Forfeited**	**Balance at 31 December 2023**
L Goosen (resigned with effect from 31 December 2023)	1 January 2018	13.53	164 669	-	(82 331)	82 338	-	(82 338)	-	-
		-	92 000	-	(46 000)	46 000	-	(46 000)	-	-
	1 January 2019	12.68	247 000	-	(82 331)	164 669	-	(82 331)	-	82 338
		-	138 000	-	(46 000)	92 000	-	(46 000)	-	46 000
	1 January 2020	8.88	247 000	-	-	247 000	-	(82 331)	(82 334)	82 335
		-	138 000	-	-	138 000	-	(46 000)	(46 000)	46 000
	1 January 2021	6.52	247 000	-	-	247 000	-	-	(164 666)	82 334
		-	138 000	-	-	138 000	-	-	(92 000)	46 000
	1 January 2022	12.43	-	247 000	-	247 000	-	-	(247 000)	-
		-	-	138 000	-	138 000	-	-	(138 000)	-
	1 January 2023	14.88	-	-	-	-	489 000	-	(489 000)	-
		-	-	-	-	-	326 000	-	(326 000)	-
Total			**1 411 669**	**385 000**	**(256 662)**	**1 540 007**	**815 000**	**(385 000)**	**(1 585 000)**	**385 007**
KJ van Haght	1 January 2018	13.53	88 000	-	(44 000)	44 000	-	(44 000)	-	-
		-	49 334	-	(24 666)	24 668	-	(24 668)	-	-
	1 January 2019	12.68	132 000	-	(44 000)	88 000	-	(44 000)	-	44 000
		-	74 000	-	(24 666)	49 334	-	(24 666)	-	24 668
	1 January 2020	8.88	132 000	-	-	132 000	-	(44 000)	-	88 000
		-	74 000	-	-	74 000	-	(24 666)	-	49 334
	1 January 2021	6.52	132 000	-	-	132 000	-	-	-	132 000
		-	74 000	-	-	74 000	-	-	-	74 000
	1 January 2022	12.43	-	132 000	-	132 000	-	-	-	132 000
		-	-	74 000	-	74 000	-	-	-	74 000
	1 January 2023	14.88	-	-	-	-	303 000	-	-	303 000
		-	-	-	-	-	202 000	-	-	202 000
Total			**755 334**	**206 000**	**(137 332)**	**824 002**	**505 000**	**(206 000)**	**-**	**1 123 002**
A Goordeen	1 January 2018	13.53	88 000	-	(44 000)	44 000	-	(44 000)	-	-
		-	49 334	-	(24 666)	24 668	-	(24 668)	-	-
	1 January 2019	12.68	132 000	-	(44 000)	88 000	-	(44 000)	-	44 000
		-	74 000	-	(24 666)	49 334	-	(24 666)	-	24 668
	1 January 2020	8.88	132 000	-	-	132 000	-	(44 000)	-	88 000
		-	74 000	-	-	74 000	-	(24 666)	-	49 334
	1 January 2021	6.52	132 000	-	-	132 000	-	-	-	132 000
		-	74 000	-	-	74 000	-	-	-	74 000
	1 January 2022	12.43	-	132 000	-	132 000	-	-	-	132 000
		-	-	74 000	-	74 000	-	-	-	74 000
	1 January 2023	14.88	-	-	-	-	303 000	-	-	303 000
		-	-	-	-	-	202 000	-	-	202 000
Total			**755 334**	**206 000**	**(137 332)**	**824 002**	**505 000**	**(206 000)**	**-**	**1 123 002**
GRAND TOTAL			**2 922 337**	**797 000**	**(531 326)**	**3 188 011**	**1 825 000**	**(797 000)**	**(1 585 000)**	**2 631 011**

21 **Cash-settled employee share award plan**

This phantom share incentive scheme was approved by the board of directors and implemented in 2018. The scheme makes provision for long-term incentivisation of key executives of the Bell group in the structure of a share appreciation rights scheme. The objective and purpose of the scheme is to grant forfeitable phantom share awards to key executives of the Bell group to enable them to benefit if the company's share price improves and if the specified Headline Earnings per Share (HEPS) and Return on Invested Capital (ROIC) performance conditions are achieved.

The awards comprise a mixture of zero-strike and strike based awards, with the zero-strike portion subject to a 50% split between HEPS and ROIC performance conditions. The number of awards granted to executives of the Bell group was determined with reference to market norms for long-term incentive schemes and a multiple of the salary packages of the participants, and the company granted these awards in equal, annual tranches on 1 January each year, starting in 2018.

In respect of the portion of the incentive related to the market price of the share, employees will acquire the cash equivalent of the growth in the share price. In respect of the portion of the incentive related to the HEPS and ROIC performance conditions, employees will receive the cash equivalent of the market value of the shares without any reduction by the strike price.
The HEPS performance condition is that the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year-end of the Bell group prior to the vesting date, must meet or exceed the HEPS growth rate of inflation plus 5% for awards granted from 2018 to 2021 and inflation plus 3% for awards granted from 2022 onwards.
The ROIC performance condition is based on operational returns in excess of the cost of capital plus a margin, for awards granted from 2020 to 2021, and in excess of 15% for awards granted from 2022 onwards.
For awards granted in 2022 and onwards, the ROIC portion is paid out proportionately based on a sliding scale of the rolling three year average ROIC as follow:

Rolling three year average ROIC	*Payout*
< 15%	0%
≥ 15% < 16%	78%
≥ 16% < 17%	89%
≥ 17% < 18%	100%
≥ 18% < 19%	111%
≥ 19% < 20%	122%

The total benefit paid to employees in any financial year shall not exceed 6% of the NPAT as reflected in the audited results of the Bell group.

One-third of each annual award vests in years three, four and five after the award date and the awards are forfeited on a participant ceasing to be an employee, for reasons other than incapacity, death or retirement, when all the awards held by the participants, whether or not they have vested, will be deemed to have vested upon termination of employment and shall be settled within three months or in the case of death, within 12 months thereafter.

In the event of a change in control of the company which results in the retrenchment of or a material adverse change in the conditions of employment of the participant the full number of phantom share units determined will be deemed to be awarded and the vesting period in respect of this full award will be advanced in accordance with the rules of the scheme.

The strike price is the thirty day volume weighted average of the closing market share price immediately preceding the grant date of 1 January each year.

21.1 **Share awards granted**

The following awards were in existence during the reporting period:

	Phantom share units							
Grant date	**With a strike price**	**With a strike price of zero**	**Vesting January 2024**	**Vesting January 2025**	**Vesting January 2026**	**Vesting January 2027**	**Vesting January 2028**	**Strike price of units with a strike price**
1 January 2019	294 334	165 332	459 666	-	-	-	-	R 12.68
1 January 2020	506 333	284 666	459 666	331 333	-	-	-	R 8.88
1 January 2021	718 334	404 000	459 667	331 333	331 334	-	-	R 6.52
1 January 2022	822 000	463 000	-	428 333	428 333	428 334	-	R 12.43
1 January 2023	2 901 000	1 934 000	-	-	1 611 667	1 611 667	1 611 666	R 14.88
Total share units	5 242 001	3 250 998	1 378 999	1 090 999	2 371 334	2 040 001	1 611 666	

Share awards of 2 631 011 (2022: 3 188 011) were held by executive directors of the company as disclosed in note 20.

21.2 **Fair value of share awards granted**

The fair value of the phantom share awards was measured at the end of the year using the Black-Scholes pricing model.
A liability of R60,7 million (2022: R28,2 million) was raised for this cash-settled employee share award plan in BEGS, the company's subsidiary.

	Measurement date	
Inputs into the model	**31 December 2023**	**31 December 2022**
Spot price of the option	R 23.00	R 15.25
Dividend yield	3.9%	3.3%
Expected volatility of the share price	35.1%	48.3%
Risk-free interest rate	7.8% - 8.1%	7.7% - 7.9%
HEPS	798	473
ROIC	12.8%	9.5%

21.3 **Movement in share awards granted**

The following reconciles the share awards outstanding at the beginning and end of the year:

	2023		2022	
	Number of awards	**Weighted average strike price R**	**Number of awards**	**Weighted average strike price R**
Balance at beginning of the year	5 806 999	6.60	5 056 333	6.48
Settled during the year	(1 379 000)	7.49	(919 334)	8.39
Granted during the year	5 650 000	8.93	1 670 000	7.96
Forfeited during the year	(1 585 000)	7.67	-	-
Balance at end of the year	8 492 999	7.81	5 806 999	6.60

The share awards outstanding at the end of the year under the cash-settled employee share award plan had a weighted average remaining contractual life of 3,1 years (2022: 2,5 years).