AVI

GROWING GREAT BRANDS

2024 COMPANY ANNUAL FINANCIAL STATEMENTS

AVI

AVI LIMITED

ISIN: ZAE000049433 Share Code: AVI
Registration Number: 1944/017201/06
("AVI" or "the Group" or "the Company")

For more information please visit our website:
www.avi.co.za

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

ANNUAL FINANCIAL STATEMENTS

The financial statements of AVI Limited have been audited in compliance with section 30 of the Companies Act No. 71 of 2008, as amended, and have been prepared under the supervision of Justin O'Meara, CA(SA), the AVI Group Chief Financial Officer.

These annual financial statements for the year ended 30 June 2024 were published on 9 September 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the annual financial statements of AVI Limited ("the Company"), comprising the balance sheet as at 30 June 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, the accounting policies and the notes to the financial statements, which include explanatory notes in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act of South Africa, and the directors' report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

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

(a) the annual financial statements set out on pages 4 to 41, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

SL CRUTCHLEY
Chief Executive Officer

JC O'MEARA
Chief Financial Officer

Designated Financial Director

6 September 2024

Extract from JSE Guidance letter on directors' responsibility on financial controls dated 17 July 2020 to note for information purposes:

Materiality

In terms of the JSE Listings Requirements ("the Requirements") financial information must be prepared in accordance with IFRS Accounting Standards. The application of materiality is an important concept dealt with by IFRS Accounting Standards. The reference to materiality in paragraph (a) of the CEO and FD sign off must be interpreted in the context of IFRS Accounting Standards.

The second obligation under the CEO and FD sign off rule (as detailed in (b)) must be read in the context of paragraph (a). The term 'no' does not mean a one hundred percent factual correctness but rather that after due, careful and proper consideration the directors agree that no facts have been omitted or untrue statements made that would make the Annual Financial Statements ("AFS") materially false or materially misleading in terms of IFRS Accounting Standards.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Company, as identified in the first paragraph, were approved by the Board of directors on 6 September 2024 and are signed on their behalf.

MJ WATTERS
Non-executive Chairman
Authorised director

SL CRUTCHLEY
Chief Executive Officer
Authorised director

CERTIFICATE OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, for the financial year ended 30 June 2024, all such returns required of a public company in terms of the Companies Act No. 71 of 2008, as amended, and that all such returns are true, correct and up to date.

S SCHEEPERS
Company Secretary

Illovo, Johannesburg

6 September 2024

DIRECTORS' REPORT

The directors have pleasure in presenting their report for the year ended 30 June 2024.

Business of the Company

AVI Limited ("the Company"), which is registered and incorporated in the Republic of South Africa with primary listing on the JSE Limited ("JSE"), and a secondary listing on A2X, is a branded consumer products company. The Company registration number is 1944/017201/06. AVI Limited and its subsidiaries ("the Group") comprises trading subsidiaries that manufacture, process, market and distribute branded consumer products in the food, beverage, footwear, apparel and cosmetics sectors. The Company is an investment holding company.

Financial

The financial results and position of the Company are fully set out in the balance sheet, statement of comprehensive income, statement of cash flows and notes thereto.

Going concern

The Company earned a net profit for the year ended 30 June 2024 of R2 013,8 million (2023: R1 446,6 million) and as of that date, its total assets exceeded its total liabilities by R2 628,2 million (2023: R2 251,4 million).

The trading environment remains particularly challenging given the volatility around currency, the impact of load-shedding as well as the financial state of South Africa's consumers. The Company remains focused on optimising its return on capital, sustaining margin positions and achieving growth in its underlying businesses. We have seen improvements in most key performance indicators.

As part of preparing the financial results, the Company has performed a detailed going concern assessment. This assessment has relied on the Company's 2025 budget and has considered the profitability and solvency projections over the budget period. The budget for the year ahead was presented in the context of a challenging local economic environment, with the impacts thereof continuing to affect our subsidiaries and their customers through 2024 and 2025. Even under these conditions, the budget delivered shareholder value creation while maintaining stable capital and solvency positions throughout the cycle. As part of the budget process, a downside scenario was considered that examined a protracted inflation scenario in the midst of continuing infrastructure failures which will fuel inflation and reduce economic activity. The assessment shows that the Company remains sufficiently capitalised with appropriate levels of liquidity and no material uncertainty in relation to the going concern has been identified in the base budget as well as the downside scenario.

Based on the above, no material uncertainties that would require disclosure have been identified in relation to the ability of the Company to remain a going concern for at least the next 12 months. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the annual financial statements.

Share capital

Details of the Company's authorised and issued share capital are given in Note 7 to the financial statements.

A summary of the movement in the number of ordinary shares in issue during the year is given in Note 7 to the financial statements.

Corporate activity

There has been no major corporate transactions during the current year. The Company's investment in Irvin & Johnson Holding Company (Pty) Ltd increased to 100% (2023: 80%) during the current year following the conclusion of the shareholder arrangement with Main Street 198 (Pty) Ltd ("Main Street"). More context is provided in the I&J BBBEE Transaction section of this report.

General authority for the Company to acquire its own shares

The directors consider that it will be advantageous for the Company to have a general authority to acquire its own shares. Such authority will be utilised if the directors consider that it is in the best interests of the Company and shareholders to effect such acquisitions having regard to prevailing circumstances and the cash resources of the Company at the appropriate time. Accordingly, shareholders will be asked to approve such general authority at the Annual General Meeting on 12 November 2024.

I&J BBBEE Transaction

The shareholder arrangement with Main Street, the minority shareholder at Irvin & Johnson Holding Company (Pty) Ltd ("I&J HoldCo"), matured on 1 July 2023. The 19-year relationship between Main Street and the Group generated significant value, including over R202,0 million in net cash to Main Street. In terms of the agreements, and on the maturity date, the Company exercised its call option over the shares held by Main Street in I&J HoldCo and the preference shares held by the Company in Main Street were redeemed.

In line with our commitment to sustainable transformation, a broad-based sharing of economic value and the Broad-based Black Economic Empowerment ("BBBEE") codes, the Company and I&J implemented a new BBBEE transaction with effect from 1 July 2023 in terms of which Twincitiesworld (Pty) Ltd ("Twincitiesworld"), a 100% black-owned company, acquired an 18,75% interest in I&J Limited. I&J's employees own 6,25% of I&J Limited resulting in 25% of the issued share capital of I&J Limited being held by previously disadvantaged shareholders.

I&J BBBEE Transaction continued

The mechanics of the replacement structure align closely with the terms of the expired relationship with Main Street, and is financed through a preference share investment at the I&J HoldCo level. The preference share funding will be settled through dividend flows with 90% of normal dividends received applied against the funding and 10% available as a trickle-through. Furthermore, a put and call option is in place between I&J HoldCo and Twincitiesworld, the exercise price of which is determined by a fixed formula based on I&J Limited's earnings. The exercise date of the put and call option is December 2036.

The replacement scheme has no accounting impact on the Company's financial statements.

Dividends

Dividends, paid and proposed, are disclosed in Note 15 to the financial statements.

Directorate

Mr MJ Watters was appointed as Chairman of the Board with effect from 1 July 2023, after he was appointed as an independent non-executive director in the prior year. This followed Mr GR Tipper's resignation as Chairman and non-executive director with effect from 30 June 2023.

Mr JR Hersov resigned as a non-executive director with effect from 3 July 2023.

Ms MR Mouyeme was appointed to the Board as an independent non-executive director and as a member of the Audit and Risk Committee with effect from 1 August 2023.

Mr AM Thebyane resigned as a non-executive director with effect from 30 April 2024.

Ms VA Davies was appointed to the Board as an independent non-executive director and as Chair of the Remuneration, Nomination and Appointments Committee with effect from 1 June 2024.

There were no other changes to the Board for the year under review.

In terms of the Company's Memorandum of Incorporation, Mr SL Crutchley and Mr JC O'Meara retire at the forthcoming Annual General Meeting. All of the retiring directors, being eligible, offer themselves for re-election.

In terms of the Companies Act, the appointments of Mr SG Robinson (Chairman), Mrs A Muller and Ms MR Mouyeme to the Audit and Risk Committee need to be approved at the forthcoming Annual General Meeting.

Directors' service contracts

Standard terms and conditions of employment apply to executive directors, which, inter alia, provide for notice of termination of three months. Non-executive directors conclude service contracts with the Company on appointment. Their term of office is governed by the Memorandum of Incorporation which provides that one-third of the aggregate number of directors will retire by rotation at each Annual General Meeting, but may, if eligible, offer themselves for re-election.

Share schemes

Particulars of the Company's various share incentive schemes are set out in Note 7.

Directors' interests

The interests of the directors in the issued listed securities of the Company, being ordinary shares of 5 cents each, as at 30 June 2024 and 30 June 2023, are as follows:

	Direct number	Beneficial indirect number	% of total
At 30 June 2024			
SL Crutchley	**869 697**	**–**	**0,26**
JC O'Meara	**4 010**	**–**	**0,00**
M Koursaris	**115 836**	**–**	**0,03**
MJ Watters[1]	**500**	**–**	**0,00**
Total	**990 043**	**–**	**0,29**
At 30 June 2023			
SL Crutchley	840 201	–	0,25
JC O'Meara	1 454	–	0,00
M Koursaris	57 500	–	0,02
GR Tipper[2]	11 000	–	0,00
Total	910 155	–	0,27

There has been no change to the directors' interests reflected above since the reporting date.

[1] *Appointed as Chairman of the Board on 1 July 2023.*
[2] *Resigned 30 June 2023.*

Material shareholders

The Company does not have a holding company.

Ordinary shares

The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2024, according to the information available to the directors, were:

	Number of ordinary shares	%
Government Employees Pension Fund	72 284 124	21,3
Allan Gray	14 742 129	4,3
Vanguard Investment Management	12 798 353	3,8

Special resolutions passed by the Company and registered by the Registrar of Companies

The following special resolutions have been passed by the Company since the previous directors' report dated 1 September 2023 to the date of this report:

- To approve the fees payable to the current non-executive directors, excluding the Chairman of the Board and the foreign non-executive director.
- To approve the fees payable to the Chairman of the Board.
- To approve the fees payable to the foreign non-executive Chairman of the Board.
- To approve the fees payable to the foreign non-executive director.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the members of the Audit and Risk Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the non-executive members of the Social and Ethics Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the Chairman of the Remuneration, Nomination and Appointments Committee.
- To approve the fees payable to the Chairman of the Audit and Risk Committee.
- To approve the fees payable to the Chairman of the Social and Ethics Committee.
- To authorise, by way of a general approval, the Company or any of its subsidiaries to acquire ordinary shares issued by the Company in terms of the Companies Act and Listings Requirements of the JSE.

Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 30 June 2024 in terms of section 94(7)(f) of the Companies Act No. 71 of 2008, as amended ("the Companies Act").

The Audit Committee has adopted formal terms of reference, delegated to it by the Board of directors, as its charter. The charter is in line with the Companies Act, the King IV Report on Corporate Governance for South Africa 2016 ("King IV") and the JSE Listings Requirements. The committee has discharged the functions delegated to it in terms of its charter. The Audit Committee's process is supported by the operating subsidiary companies which have internal review committees that monitor risk management and compliance activities. There is a formal reporting line from the various internal review committees into the Audit Committee via the Group's Chief Financial Officer.

During the year under review the committee performed the following statutory duties:

1. Reviewed and recommended for adoption by the Board such financial information as is publicly disclosed which for the year included:
   - The interim results for the six months ended 31 December 2023; and
   - The annual financial statements for the year ended 30 June 2024.
2. Considered and satisfied itself that the external auditors Ernst & Young Inc. are independent.
3. Approved the external auditor's budgeted fees and terms of engagement for the 2024 financial year.
4. Determined the non-audit related services which the external auditors were permitted to provide to AVI and reviewed the policy for the use of the external auditors for non-audit related services. All non-audit related service agreements between the AVI Group and the external auditors were pre-approved.
5. Satisfied itself that the necessary documentation and confirmations in terms of the JSE Listings Requirements were obtained from the external auditors.
6. Resolved that KPMG Inc. would continue to perform the internal audit function during the financial year.
7. Reviewed the Audit Committee charter in line with King IV recommendations.
8. Reviewed the internal audit charter in line with King IV recommendations.
9. Confirmed the internal audit plan for the 2024 financial year.
10. Ensured that appropriate financial reporting procedures exist and that they are working.
11. Confirmed that adequate whistle-blowing facilities were in place throughout the AVI Group and reviewed and considered actions taken with regard to incident reports.
12. Held separate meetings with management, the external and internal auditors to discuss any problems and reservations arising from the year end audit and other matters that they wished to discuss.
13. Noted that it had not received any complaints, either from within or outside the Company, relating either to the accounting practices, the internal audits, the content or auditing of the financial statements, the internal financial controls or any other related matter.
14. Conducted a self-evaluation exercise into its effectiveness.
15. Reviewed the suitability of Ernst & Young Inc., for re-appointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements.
16. Recommended to the Board the re-appointment of Ernst & Young Inc. as the external auditors and appointment of Mr A Carshagen as the registered auditor responsible for the audit for the year ending 30 June 2025, which will be considered at the forthcoming Annual General Meeting.
17. Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the Company's financial director.
18. Satisfied itself as to the expertise, resources and experience of the Company's finance function.
19. Evaluated the underlying assessment performed by the CEO and financial director to support their declaration required in terms of section 3.84(k) of the JSE Listings Requirements and are satisfied that it supports the declaration made.

On behalf of the Audit Committee

SG ROBINSON
Audit Committee Chairman

6 September 2024

INDEPENDENT AUDITOR'S REPORT

To the shareholders of AVI Limited

Report on the Audit of the Separate Annual Financial Statements

Opinion

We have audited the separate annual financial statements of AVI Limited ("the Company") set out on pages 12 to 41, which comprise of the separate balance sheet as at 30 June 2024, and the separate statement of 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 annual financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Separate Annual Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate annual financial statements.

Key Audit Matters continued

Key Audit Matter	How the matter was addressed in the audit
Impairment assessment of investments in subsidiaries and related intercompany loan accounts Management performs an annual impairment test on the recoverability of the carrying amounts of investments and loan balances where impairment indicators exist as required by IAS 36 – *Impairment of assets* and IFRS 9 – *Financial Instruments*. Certain macro-economic factors have continued to have a significant impact on the current economic climate, by affecting the spending patterns of consumers which continues to evolve between various products and regions. This has created uncertainties around the revenue and growth rate assumptions of the retail and consumer products businesses as well as the uncertainties surrounding the timing and amount of cash flows, when they are already inherently uncertain. Given the above, impairment testing of investments in subsidiaries and loans to subsidiaries, particularly in the footwear and apparel and food and beverage businesses required significant audit attention in the current year through extended sensitivity testing and stress tests with different economic recovery scenarios with the use of our valuation specialists. As disclosed in Note 1 the Company uses a discounted cash flow model to determine the value in use for each cash-generating unit, on the basis of the following key assumptions: • Forecast profits including revenue and profit growth; • discount rates; and • growth rate used to extrapolate cash flows beyond the budget period. Refer to Note 1 – Investments in subsidiaries.	Our audit procedures included, amongst others: • We involved the EY internal valuation specialists in our team to assist in evaluating management's impairment methodology and key assumptions used in the impairment calculations; • Together with the EY internal valuation specialists, we assessed management's impairment methodology by comparing it to best practices and the requirements of IAS 36; • Our valuation specialists calculated independent weighted average cost of capitals ("WACCs") to compare to management's WACCs. Our independent WACC recalculation was based on publicly available market data for comparable companies for each of the material cash-generating units ("CGUs"); • For assumptions based on historical results, we compared the cash flow forecasts to past performance (particularly as it relates to historical working capital levels and gross profit margins); • For assumptions based on future trends and where the risk of a weakened economy is present: – We vouched CPI assumptions to current market information, which we obtained externally; – We stress tested the businesses' revenue cash flows by determining the impact of delayed economic growth, by pushing the cashflow forecasts out by one year; and – We have considered the actual trading results of the businesses' post year end in our assessment of the reasonability of the revenue cash flow projections. • We have performed sensitivity analyses around all the key assumptions used in the impairment model. We did this by increasing and decreasing the following assumptions in the model to determine the impact on the headroom between the total value of the investment in the CGU and the value in use as calculated by the impairment calculation model: – The WACC used to discount the cash flows; – Revenue and overheads; – Gross profit margins; and – Working capital requirements. • We assessed the historical reliability of cash flow forecasts prepared by management through a review of actual past performance compared to previous forecasts to understand management's ability to accurately estimate future cash flows; • We assessed historical forecasts obtained and compared these to forecasts obtained in the current year to determine management's ability to forecast accurately taking into consideration circumstances and events which arose during the financial year which were not known or present in prior years; • We assessed the adequacy of the Company's disclosures in terms of IAS 36 – *Impairment of assets* and IFRS 9 – *Financial Instruments*, in relation to the investments and the loans receivable included in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 41-page document titled "AVI 2024 Company Annual Financial Statements", which includes the directors' report, the Audit Committee report and the certificate of the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the separate annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Separate Annual Financial Statements

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

In preparing the separate annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate annual 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 annual 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 annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual 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 annual financial statements, including the disclosures, and whether the separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 related safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

Ernst & Young Inc.

ERNST & YOUNG INC.
DIRECTOR – ALLISTER CARSHAGEN
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton

6 September 2024

ACCOUNTING POLICIES

AVI Limited ("the Company") is a South African registered company. These are the Company's separate annual financial statements. The consolidated annual financial statements are available at the Company's registered office or on the AVI website www.avi.co.za.

Statement of compliance

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), in compliance with JSE Listings Requirements, the interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The annual financial statements were approved for issue by the Board of directors on 6 September 2024.

Basis of preparation

These annual financial statements are prepared in millions of South African Rands ("R'm"), which is the Company's functional currency, on the historical cost basis, except for derivative financial assets and liabilities which are stated at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:
Note 1, 2 – estimation of recoverable amount of investments in subsidiaries
Note 1, 2 – estimation of expected cash flows from loans to subsidiaries
Note 7 – valuation of incentive scheme options
Note 17 – valuation of derivative financial instruments

The accounting policies set out below have been applied consistently in the periods presented in these annual financial statements. There are no new, revised or amended accounting standards, effective 1 July 2023, applicable to the Company.

New standards and interpretations in issue not yet effective

The Company continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations and assesses these for applicability to the Company. The new accounting standards and amendments to accounting standards issued which are material to the Company, but not yet effective on 30 June 2024, include:

IFRS 18 – Presentation and Disclosure of Financial Statements

The new standard on presentation and disclosure in financial statements focusses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is still assessing the impact of these amendments which are effective for the Company's annual reporting period beginning on 1 July 2027.

Capital items

Capital items are items of income and expense relating to the acquisition, disposal or impairment of investments.

Capital items relate to separately identifiable remeasurements (not adjusted for related taxation and related non-controlling interests) other than remeasurements specifically included in headline earnings as defined in Circular 01/2023 – Headline earnings.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash balances on hand and deposits held on call with banks.

Dividends payable

Dividends payable are recognised in the period in which such dividends are declared.

Share-based payment transactions

Transactions in which a parent grants rights to its own equity instruments directly to the employees of its subsidiaries are classified as equity-settled in the financial statements of the parent.

The parent recognises in equity the equity-settled share-based payment and recognises a corresponding increase in the investment in subsidiary.

Equity-settled

The equity-settled share-based payment is measured at fair value at grant date and recognised over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

Group share scheme recharge arrangements

A recharge arrangement exists whereby the cost to the scheme of acquiring shares issued in accordance with certain share schemes granted by the holding company is funded by way of contributions from employer companies in respect of participants who are their employees. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment upon initial recognition, as follows:

- The subsidiary recognises a recharge liability at fair value, determined using generally accepted valuation techniques, and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.
- The parent recognises a corresponding recharge asset at fair value and a corresponding adjustment to the carrying amount of the investment in the subsidiary.

Subsequent to initial recognition the recharge arrangement is remeasured at fair value (as an adjustment to the net capital contribution) at each subsequent reporting date until settlement date, to the extent vested. Where the recharge amount recognised is greater than the initial capital contribution recognised by the subsidiary in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent in equity. The amount of the recharge in excess of the capital contribution, recognised by the parent as an increase in the investment in subsidiary, is recognised as an adjustment to the net capital contribution through a reduction in the net investment in the subsidiary.

Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value measurement continued

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:
- Note 20 – Financial assets and liabilities.

Financial instruments

Financial instruments are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs when the Company becomes a party to the contractual arrangements. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below:

Financial asset classification and measurement

Financial assets are classified into the following three principle categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and debt instruments at amortised cost. The classification depends on the contractual cash flow characteristics and the business models for managing the financial assets, and is determined at the time of initial recognition.

The Company does not have any financial assets at fair value through other comprehensive income.

Debt instruments, derivatives and equity instruments at fair value through profit or loss ("FVTPL")
Financial assets are classified as FVTPL when the financial asset is (i) held for trading, or (ii) it is designated as FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial instruments continued

Financial asset classification and measurement continued

Debt instruments at amortised cost

Debt instruments at amortised cost (including other receivables, bank balances, loans to subsidiaries and cash) are measured at amortised cost using the effective interest method, less any impairment.

The Company measures financial assets at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liability classification and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Company does not have any financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and other payables) are subsequently measured at amortised cost using the effective interest method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment of non-financial assets

The carrying amounts of the Company's assets other than financial assets which are separately assessed and provided against where necessary, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or related cash-generating unit's fair value less costs of disposal and its value in use.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, and when the indication of impairment no longer exists.

The recoverable amount of assets is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Subject to an operating segment ceiling test (before aggregation of segments), for the purposes of goodwill impairment testing, cash-generating units ("CGUs") to which goodwill has been allocated are aggregated so that the level at which impairment is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Impairment losses are recognised in profit or loss as a capital item, when the carrying amount exceeds the recoverable amount.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts, taking into account credit enhancements that are part of the contractual terms and that are not recognised separately by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Revenue

Revenue consists of dividends received from subsidiaries.

Dividends are recognised when the right to receive payment is established, with the exception of dividends on cumulative preference share investments, which are recognised on a time proportion basis in the period to which they relate.

Share capital

Ordinary shares

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

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a change to equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from total equity. The consideration received when own shares held by the Company are re-issued is presented as a change to equity and no profit or loss is recorded.

Where loans advanced by the Company to a subsidiary to acquire treasury shares are to be repaid principally by the buy-back of such shares, the loan is classified as an equity instrument by the Company.

Investment in subsidiary companies

Investments in subsidiary companies are stated at cost, less impairment allowances.

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income or equity.

Current taxation

Current taxation comprises tax payable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable for previous years.

Deferred taxation

Deferred taxation is provided using the liability method based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity, or a business combination that is an acquisition, in which case it is recognised as an adjustment to goodwill. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Uncertainty over income tax treatments

Where there is uncertainty regarding the tax treatment of an item, the Company discloses the judgements made in determining the respective tax position as well as information regarding any assumptions and estimates made. The Company recognises liabilities for anticipated uncertain positions based on the best estimate of whether additional income taxes will be due.

Dividend withholding tax

Dividend withholding tax is a tax on shareholders receiving dividends. Shareholders who are not exempt from paying dividend tax are subject to dividend withholding tax at a rate of 20%. In terms of dividend tax legislation, the dividend tax amount is withheld and paid over to the South African Revenue Services by nominee companies, stockbrokers or the relevant Central Securities Depository Participant on behalf of shareholders. Dividends are recognised at the gross amount directly in equity.

BALANCE SHEET
as at 30 June 2024

	Notes	2024 R'm	2023 R'm
ASSETS			
Non-current assets			
Investments in subsidiaries	1, 2	**1 628,6**	1 638,0
Other investments	3	**–**	167,4
Group share scheme recharge receivable	4	**141,1**	46,6
		1 769,7	1 852,0
Current assets			
Other receivables	5	**117,5**	117,2
Cash and cash equivalents	6	**750,2**	487,7
		867,7	604,9
Total assets		**2 637,4**	2 456,9
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	7	**16,7**	16,7
Share premium	7	**858,6**	858,6
Reserves	8	**178,7**	80,7
Retained earnings		**1 574,2**	1 295,4
Total equity		**2 628,2**	2 251,4
Current liabilities			
Other payables	9	**9,2**	205,5
Total equity and liabilities		**2 637,4**	2 456,9

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Notes	2024 R'm	2023 R'm
Revenue	10	**2 132,5**	1 661,7
Operating expenses		**(11,3)**	(11,6)
Other expenses		**–**	(189,2)
Operating profit	11	**2 121,2**	1 460,9
Finance costs	12	**–**	(14,3)
Capital items	13	**(107,4)**	–
Profit for the year		**2 013,8**	1 446,6
Taxation		**–**	–
Total comprehensive income for the year		**2 013,8**	1 446,6

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

For the year ended 30 June 2024	Notes	Share capital and premium R'm	Reserves R'm	Retained earnings R'm	Total R'm
2024					
Balance at beginning of year		**875,3**	**80,7**	**1 295,4**	**2 251,4**
Total comprehensive income for the year					
Profit for the year		**–**	**–**	**2 013,8**	**2 013,8**
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		**–**	**98,0**	**–**	**98,0**
Dividends paid	15	**–**	**–**	**(1 735,0)**	**(1 735,0)**
Total contributions by and distributions to owners		**–**	**98,0**	**(1 735,0)**	**(1 637,0)**
Balance at end of year		**875,3**	**178,7**	**1 574,2**	**2 628,2**

For the year ended 30 June 2023					
2023					
Balance at beginning of year		875,3	22,7	1 410,3	2 308,3
Total comprehensive income for the year					
Profit for the year		–	–	1 446,6	1 446,6
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		–	58,0	–	58,0
Dividends paid	15	–	–	(1 561,5)	(1 561,5)
Total contributions by and distributions to owners		–	58,0	(1 561,5)	(1 503,5)
Balance at end of year		875,3	80,7	1 295,4	2 251,4

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	Notes	2024 R'm	2023 R'm
Cash flows from operating activities			
Cash generated by operations	14	**1 973,4**	1 668,3
Interest paid	12	**–**	(14,3)
Net cash available from operating activities		**1 973,4**	1 654,0
Cash flows from investing activities			
Decrease in amounts owing by subsidiary companies	2	**–**	59,9
Group share scheme recharge received		**24,1**	10,1
Payment to I&J BBBEE shareholders	17	**–**	(32,8)
Net cash available from investing activities		**24,1**	37,2
Cash flows from financing activities			
Ordinary dividends paid	15	**(1 735,0)**	(1 561,5)
Net cash utilised in financing activities		**(1 735,0)**	(1 561,5)
Increase in cash and cash equivalents		**262,5**	129,7
Cash and cash equivalents at beginning of year		**487,7**	358,0
Cash and cash equivalents at end of year	6	**750,2**	487,7
Dividends received in operational cash flows	10	**1 984,1**	1 661,7

	2024 R'm	2023 R'm
1. Investments in subsidiaries		
Unlisted – Shares in owned subsidiaries	**1 773,2**	1 551,5
Loans to subsidiary companies	**188,0**	188,0
	1 961,2	1 739,5
Share-based payments capitalised	**202,6**	330,7
Impairment allowance – investment in shares	**(408,1)**	(305,1)
Expected credit loss allowance – loans	**(127,1)**	(127,1)
Total investments in subsidiaries	**1 628,6**	1 638,0
Impairment allowance – investment in shares		
Balance at beginning of year	**(305,1)**	(305,1)
Impairment loss recognised	**(103,0)**	–
Balance at end of year in respect of investments in shares	**(408,1)**	(305,1)
Expected credit loss allowance – loans		
Balance at beginning of year	**(127,1)**	(127,1)
Balance at end of year in respect of inter-company loans	**(127,1)**	(127,1)

Investments in subsidiary companies are stated at amortised cost, less expected credit loss allowances and impairment allowances.

Investment in shares

Investments in shares are stated at cost less impairment allowances.

The carrying amounts of the Company's share investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount of the investment in shares is the value in use using a discounted cash flow model, based on forecast profits of the business discounted at an appropriate discount rate. Revenue and profit growth assumptions are based on the current forecasts and specific growth plans for the business, taking into account the economic environment in which the business operates.

In December 2021, as part of the vesting of the Group's Broad-based Black Economic Empowerment ("BBBEE") scheme, the Company acquired a shareholding in I&J Black Staff Holding Company Proprietary Limited ("I&J Black Staff HoldCo"). In June 2024, the I&J Black Staff HoldCo was liquidated (refer to Note 2) and the recoverable amount of I&J Black Staff HoldCo was assessed as nil – consequently, the investment of R103,0 million was impaired.

Based on the recoverable amount of investments, no adjustment to the impairment allowance was processed in the current or prior year.

Loans

Loan investments are stated at amortised cost less expected credit loss allowances.

During the prior year, R59,9 million of the shareholder loan was repaid, with no further adjustment to the expected credit loss allowance.

Refer to Note 2 for the gross carrying amounts of investments and loans to subsidiaries, and related allowances.

2. Principal subsidiary companies of AVI Limited

Name of company and nature of business	Class	Issued permanent capital[1] 2024 R'm	Issued permanent capital[1] 2023 R'm	Effective percentage holding 2024 %	Effective percentage holding 2023 %	Shares at book value[1] 2024 R'm	Shares at book value[1] 2023 R'm	Indebtedness to the Company[2] 2024 R'm	Indebtedness to the Company[2] 2023 R'm
A&D Spitz Proprietary Limited – retailer of branded shoes and apparel	Ord	**–**	–	**100**	100	**576,6**	576,6	**–**	–
Green Cross Manufacturers Proprietary Limited – producer and retailer of branded shoes and footwear accessories	Ord	**–**	–	**100**	100	**305,0**	305,0	**156,9**	156,9
Hampton Sportswear Proprietary Limited – retailer of branded apparel	Ord	**–**	–	**100**	100	**20,7**	20,7	**–**	–
Irvin & Johnson Holding Company Proprietary Limited[3,4] – integrated fishing, processing and marketing of branded value-added fish and seafood products	Ord	**–**	–	**100**	80	**540,8**	319,1	**–**	–
Indigo Brands Proprietary Limited – manufacturers and distributors of leading body spray, fragrance, cosmetics and body lotion products	Ord	**–**	–	**100**	100	**–**	–	**–**	–
National Brands Limited – manufacturers and marketers of branded food and beverage products	Ord	**3,5**	3,5	**100**	100	**227,1**	227,1	**–**	–
Nina Roche Shoe Collection Proprietary Limited – licensor of shoe brands	Ord	**–**	–	**100**	100	**–**	–	**31,1**	31,1
AVI Brands Limited – investment holding company	Ord	**–**	–	**100**	100	**–**	–	**–**	–
I&J Black Staff Holding Company Proprietary Limited[4] – investment holding company of broad-based black economic empowerment scheme	Ord	**–**	–	**100**	100	**103,0**	103,0	**–**	–
						1 773,2	1 551,5	**188,0**	188,0
Impairment allowance/expected credit loss allowance									
– Green Cross (Note 1)						**(305,0)**	(305,0)	**(96,0)**	(96,0)
– Nina Roche (Note 1)						**(0,1)**	(0,1)	**(31,1)**	(31,1)
– I&J Black Staff Holding Company Proprietary Limited (Note 1)						**(103,0)**	–	**–**	–
Share-based payments capitalised						**202,6**	330,7	**–**	–
						1 567,7	1 577,1	**60,9**	60,9

All companies are incorporated in South Africa.

[1] *Where Rand amount is less than R0,1 million is indicated as "–".*

[2] *The loans are interest-free and have no fixed repayment terms, and the Company has no intention to recall these loans within the next 12 months.*

[3] *The shareholder arrangement with Main Street matured on 1 July 2023 and the Company exercised its call option over the 20% shareholding held by Main Street in I&J HoldCo. The Company acquired 2 480 ordinary shares in I&J HoldCo.*

[4] *As part of the liquidation of I&J Black Staff Holding Company Proprietary Limited ("I&J Black Staff HoldCo") and Richtrau No. 53 Proprietary Limited ("Richtrau"), the 5% shareholding held by Richtrau in I&J HoldCo and the remaining net asset values of the companies were declared as a dividend in specie to the Company. The Company acquired 620 ordinary shares at a value of R114,9 million in I&J HoldCo as part of a "liquidation distribution" in terms of section 47 of the Income Tax Act.*

3. Other investments

	Shares held		Effective percentage holding		Book value of investment	
	2024 number	2023 number	**2024 %**	2023 %	**2024 R'm**	2023 R'm
Name of company and nature of business						
Main Street 198 Proprietary Limited	**–**	800	**–**	100	**–**	167,4
– Cumulative redeemable convertible "A" preference shares						
					–	167,4

20% of the black empowerment shareholding in I&J HoldCo was held by Main Street (Note 17). The Company had subscribed for preference shares in Main Street, an investment nominee company owned by empowerment investors, to fund the acquisition of the I&J HoldCo shares. The net preference share investment represents the original subscription price plus arrear preference dividends, less a capping allowance, if applicable, to limit the recognition of preference dividend income to the equivalent attributable earnings of I&J HoldCo.

On 1 July 2023, the BBBEE transaction between the Company and Main Street matured, and the Company exercised its call option to purchase the 20% shareholding in I&J HoldCo and the cumulative preference shares were redeemed. Refer to Note 17 for further information.

The investment was not listed on a stock exchange.

4. Group share scheme recharge receivable

Equity instruments granted under the AVI Limited Out-Performance Scheme, the AVI Limited Deferred Bonus Share Plan and the Revised AVI Limited Executive Share Incentive Scheme are all subject to a cost recovery arrangement with participating subsidiaries upon exercise of options by employees of those companies. Refer to Note 7 for details of share incentive schemes.

The Group recharge receivable has been accounted for as follows:

	2024 R'm	2023 R'm
Group share scheme recharge receivable at fair value (Note 18)	**258,6**	57,0
Less: Short-term portion reflected in other receivables (Note 5)	**(117,5)**	(10,4)
Long-term portion of receivable at fair value	**141,1**	46,6
The AVI Limited Out-Performance Scheme		
Share price (at 30 June)	**R94,59**	R68,09
Terms (years)	**0,25 – 2,25**	0,25 – 2,25
Expected vesting percentage based on Total Shareholder Return ("TSR") performances	**50th – 70th**	30th – 50th
Vesting multiple based on relative TSR performance	**0,9 – 1,8**	0,0 – 0,9
The AVI Limited Deferred Bonus Share Plan		
Share price (at 30 June)	**R94,59**	R68,09
Award price	**R63,58 – R86,04**	R63,58 – R86,04
The Revised AVI Limited Executive Share Incentive Scheme		
Share price (at 30 June)	**R94,59**	R68,09
Award price	**R66,48 – R91,54**	R66,48 – R106,84

		2024 R'm	2023 R'm
5.	**Other receivables**		
	Short-term portion of Group share scheme recharge receivable (Note 4)	**117,5**	10,4
	Short-term portion of call option assets (Note 17)	**–**	106,8
		117,5	117,2
6.	**Cash and cash equivalents**		
	AVI Group Treasury call deposit (Note 18)	**749,8**	487,2
	Bank balances	**0,4**	0,5
		750,2	487,7
	The AVI Group Treasury call deposit is interest-free and receivable on demand.		
7.	**Share capital and premium**		
	Share capital		
	Authorised		
	Ordinary share capital		
	960 000 000 (2023: 960 000 000) ordinary shares of 5 cents each	**48,0**	48,0
	Total authorised share capital	**48,0**	48,0
	Issued		
	338 965 477 (2023: 338 191 889) ordinary shares of 5 cents each	**16,7**	16,7
	Total issued share capital	**16,7**	16,7
	Share premium		
	Balance at end of year	**858,6**	858,6
	Total issued share capital and premium	**875,3**	875,3

7. Share capital and premium continued

Share incentive schemes

The AVI Group's share incentive schemes, together with a summary of the movements in the respective share incentive instruments, are set out in the tables below.

The Revised AVI Limited Executive Share Incentive Scheme

The Revised AVI Limited Executive Share Incentive Scheme, was approved by shareholders at the Annual General Meeting held on 3 November 2016 and replaced the AVI Limited Executive Share Incentive Scheme. Eligible participants are awarded share appreciation rights, which vest after the completion of a three-year service period, subject to the satisfaction of a performance condition, namely that the AVI return on capital employed over the period exceeds the weighted average cost of capital. Upon vesting, participants are entitled to exercise their awards by receiving AVI shares equal to the increase in value of their awards between award date and exercise date. The cost of these AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised/ lapsed number	Relinquished[1]/ Forfeited number	**Instruments outstanding at 30 June 2024 number**
1 October 2018	106,84	107 738	–	(107 738)	–	**–**
1 April 2019	89,27	379 025	–	(195 880)	(183 145)	**–**
1 October 2019	83,91	279 905	–	(226 219)	(39 988)	**13 698**
1 April 2020	69,75	983 742	–	(403 084)	–	**580 658**
1 October 2020	74,52	404 942	–	(319 092)	(7 018)	**78 832**
1 April 2021	73,85	926 778	–	(220 100)	(85 273)	**621 405**
1 October 2021	86,04	350 328	–	(37 918)	(22 444)	**289 966**
1 April 2022	69,23	1 217 175	–	–	(52 345)	**1 164 830**
1 October 2022	73,43	630 078	–	(22 964)	(59 710)	**547 404**
1 April 2023	66,48	1 463 009	–	–	(17 724)	**1 445 285**
1 October 2023	75,20	–	640 113	–	–	**640 113**
1 April 2024	91,54	–	973 508	–	–	**973 508**
		6 742 720	1 613 621	(1 532 995)	(467 647)	**6 355 699**
Weighted average award price (R)		73,26	85,06	78,98	80,49	**74,35**
Weighted average exercise price on date of exercise (R)				89,29		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,3 years (2023: 1,3 years).

The share appreciation rights are available to be exercised in their entirety three years after the effective date of granting of awards, subject to the performance condition being met. Any rights not exercised by the fifth anniversary of such date will lapse. Exercises in any period prior to vesting in the third year represent the portion allowed to be exercised on retirement, death, disability or retrenchment.

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

7. Share capital and premium continued

Share incentive schemes continued

The AVI Limited Out-Performance Scheme

Eligible participants are awarded notional shares, which vest after the completion of a three-year service period, and are converted to AVI shares subject to AVI's performance against an identified peer group over the vesting period.

The scheme is based on a total shareholder return ("TSR") measure. TSR is the increase in value of shares after the notional reinvestment of all distributions. Allocations of notional shares are made in conjunction with the identification of the peer group against which that tranche will be measured.

At the measurement date in respect of each tranche:
- AVI's TSR and the TSR of each peer in the peer group for that tranche will be determined;
- the TSR of each peer in the peer group will be ranked in ascending order in 10 performance deciles;
- depending on the peer group decile within which AVI's TSR is ranked, a vesting multiple of between 0 times and 3,6 times will be applied to the notional shares to determine the number of shares allocated to the participant upon vesting. No shares vest if AVI's TSR is ranked below the 50th peer group percentile.

Upon vesting, each participant will receive the AVI shares due to them. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

As the allocation of awards is a notional allocation, the notional shares so allocated will not attract any dividends or voting rights in the hands of participants until vested.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Lapsed* number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
1 October 2020	72,42	459 739	–	(434 470)	(25 269)	**–**
1 October 2021	79,98	343 057	–	–	(53 883)	**289 174**
1 October 2022	72,99	558 776	–	–	(34 875)	**523 901**
1 October 2023	74,00	–	705 568	–	(53 746)	**651 822**
		1 361 572	705 568	(434 470)	(167 773)	**1 464 897**
Weighted average award price (R)		74,56	74,00	72,42	75,47	**74,82**
Weighted average share price on date of exercise (R)				–		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,5 years (2023: 1,3 years).

All notional shares vest three years after award date. Notional shares are converted to AVI shares only if the performance requirements are met on the vesting date.

* *In the year the performance criteria around the TSR achieved were not met and consequently these shares did not vest and lapsed.*

7. Share capital and premium continued

Share incentive schemes continued

The AVI Limited Deferred Bonus Share Plan

The AVI Limited Deferred Bonus Share Plan was approved by shareholders at the Annual General Meeting held on 3 November 2016. The value of the awards allocated is determined with reference to each eligible participant's annual bonus (earned under the Group's short-term bonus incentive framework). A portion of the annual bonus is paid in cash while the deferred element is settled in equity as AVI shares and is subject to a three-year service period before vesting, during which period the bonus shares remain restricted. These shares are held by an escrow agent on behalf of participants during this vesting period. Participants are, however, eligible to receive dividends and vote at shareholder meetings.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Relinquished number	**Instruments outstanding at 30 June 2024 number**
1 October 2020	74,52	145 332	–	(144 342)	(990)	**–**
1 October 2021	86,04	229 239	–	(8 891)	(5 384)	**214 964**
1 October 2022	73,43	601 340	–	(10 397)	(19 550)	**571 393**
1 June 2023	63,58	1 677 534	–	(12 335)	(56 555)	**1 608 644**
1 October 2023	75,20	–	655 743	(1 836)	(14 336)	**639 571**
		2 653 445	655 743	(177 801)	(96 815)	**3 034 572**
Weighted average award price (R)		68,35	75,20	74,28	68,65	**69,47**
Weighted average share price on date of exercise (R)				76,31		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,7 years (2023: 2,5 years).

Upon vesting, the shares become unrestricted in the hands of participants. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

The vesting of shares prior to the completion of the three-year restriction period represents the portion allowed to vest on retirement, death, disability or retrenchment.

The AVI Black Staff Empowerment Scheme

The AVI Black Staff Empowerment Scheme was established to provide certain full-time black employees of the Group with the opportunity of acquiring shares in the capital of the Company, and has been incorporated within the AVI Black Staff Empowerment Scheme Holding Trust ("the Trust"). The purchase of shares by the Trust for the purpose of the scheme was funded by way of loans from employer companies in respect of participants who are their employees.

Participants were granted a right to purchase ordinary AVI shares equal to the number of options awarded in three equal tranches after the fifth, sixth and seventh anniversaries of acceptance of the offer by the participant. The right to purchase was subject to the settlement of the exercise price by the participant and the express condition that the participant was still an employee at the relevant exercise date. The final allocation was made in December 2011 and the final tranche vested on 31 December 2018. The scheme established in terms of the Trust deed has terminated and no further allocations will be made.

The remaining share options at 30 June 2024 in respect of good leavers have lapsed in terms of the scheme rules. These options remain unexercised despite ongoing attempts to trace the affected participants. The Trustees have, however, resolved to allow these participants to exercise their share options should they be traced in future.

	2024 number	2023 number
Remaining share options	**40 124**	40 124

7. Share capital and premium continued

Share incentive schemes continued

Restrictions

Ordinary shares in the authorised and unissued capital of the Company were placed under the control of the directors with specific authority to allot and issue them in terms of the Company's existing share incentive schemes ("the schemes"). The total number of share instruments, options or instruments convertible into ordinary shares which may be allocated for purposes of the schemes are detailed in the table below.

Share incentive scheme	Authorised number	% of total issued share capital*	Remaining authorised but not issued number
Revised AVI Limited Executive Share Incentive Scheme	5 213 369	1,5	5 061 050
AVI Limited Deferred Bonus Share Plan	5 213 369	1,5	1 171 551
AVI Limited Out-Performance Scheme	6 915 158	2,0	4 428 128
Total	17 341 896	5,0	10 660 729

* *As at date authority was granted.*

Share-based payments

The fair value of the equity instruments is measured as follows:

Revised AVI Limited Executive Share Incentive Scheme	Black-Scholes valuation model
AVI Limited Out-Performance Scheme	Black-Scholes and Monte Carlo valuation methodology
AVI Limited Deferred Bonus Share Plan	Award date market price of shares

The contractual life of the equity instruments is used as an input into the model. The equity instruments are granted under a service condition and expected attrition is considered in estimating the number of options expected to vest.

The fair value of the estimated number of options expected to vest is expensed over the vesting period of the underlying equity instrument. In the event of accelerated vesting, the remaining fair value of the vested instruments is expensed in the period of vesting.

Assumptions applied in arriving at fair value of instruments issued during the year	**2024**	2023
Equity instruments issued by the Revised AVI Limited Executive Share Incentive Scheme		
Fair value at grant date	**R14,33 – R17,00**	R11,53 – R11,83
Share price	**R57,96 – R70,71**	R51,21 – R56,51
Exercise price	**R75,20 – R91,54**	R66,48 – R73,34
Expected volatility	**21,7% – 22,8%**	20,3% – 23,7%
Option life	**3,5 years**	3,5 years
Dividend yield	**2,02% – 3,10%**	2,92% – 3,06%
Risk-free interest rate	**12,30% – 12,38%**	10,77% – 11,06%
Equity instruments issued by the AVI Limited Out-Performance Scheme		
Fair value at grant date	**R24,35**	R49,99
Share price	**R74,00**	R72,99
Option life	**3 years**	3 years
Dividend yield	**7,4%**	6,8%
Risk-free interest rate	**11,38%**	10,77%
Expected mean TSR performance	**10,8%**	6,4%
Equity instruments issued by the AVI Limited Deferred Bonus Share Plan		
Share price	**R75,20**	R63,58 – R73,43

The expected volatility is based on the average volatility over a period of six months prior to grant date or measurement date.

The GSAB 10-year index was used to determine a risk-free interest rate at grant date or measurement date.

	2024 R'm	2023 R'm
8. Reserves		
The balance at end of year comprises:		
Share-based payment reserve	**565,2**	467,2
Share buy-back reserve	**(386,5)**	(386,5)
	178,7	80,7

Share-based payment reserve
The reserve comprises the fair value of equity instruments granted to Group employees, net of tax on deductible recharges. The fair value of the instruments are measured at grant date using generally accepted valuation techniques after taking into account the terms and conditions upon which the instruments were granted.

Share buy-back reserve
The reserve represents the reversal of share premium relating to the delisting and cancellation of ordinary shares.

	2024 R'm	2023 R'm
9. Other payables		
Inter-company payables (Note 18)	**–**	196,9
Other payables and accrued expenses	**9,2**	8,6
	9,2	205,5
10. Revenue		
Dividends – unlisted companies	**2 132,5**	1 661,7
Dividends were received from:		
– Subsidiary companies – ordinary shares (Note 18)	**1 984,1**	1 646,5
– I&J Black Staff HoldCo – dividend in specie (Notes 2 and 18)	**148,4**	–
– Other investments – preference shares	**–**	15,2
	2 132,5	1 661,7
11. Operating profit		
In arriving at the operating profit before capital items, the following have been taken into account:		
Change in fair value of call option assets (Note 17)	**–**	189,2
Auditor's remuneration		
– Fee for audit	**0,3**	0,3
Details of the directors' remuneration are given in the related party disclosure (Note 18).		
12. Finance costs		
Interest expense on borrowings	**–**	14,3
13. Capital items		
Preference share investment receivable write-off[1]	**(4,4)**	–
Impairment of investment in I&J Black Staff HoldCo[2]	**(103,0)**	–
	(107,4)	–
Attributable taxation	**–**	–
	(107,4)	–

[1] *On 1 July 2023, the BBBEE transaction between the Company and Main Street matured, and the Company exercised its call option to purchase the 20% shareholding in I&J HoldCo and the cumulative preference shares were redeemed. A deposit receivable balance of R4,4 million remained on vesting date, which was assessed as irrecoverable and written off in full. Refer to Note 17 for further information.*

[2] *Following the liquidation of I&J Black Staff HoldCo, the Company's investment in the ordinary shares of I&J Black Staff HoldCo was fully impaired. Refer to Notes 1 and 2 for further information.*

	2024 R'm	2023 R'm
14. Cash generated by operations		
Profit before tax	**2 013,8**	1 446,6
Adjusted for:	**(41,0)**	201,1
– Change in fair value of call option assets (Note 11)	**–**	189,2
– Capital items (Note 13)	**107,4**	–
– Finance costs	**–**	14,3
– Dividend in specie (Note 10)	**(148,4)**	–
– Other non-cash items	**–**	(2,4)
Cash generated by operations before working capital changes	**1 972,8**	1 647,7
Changes in working capital	**0,6**	20,6
Increase in other payables	**0,6**	20,6
Cash generated by operations	**1 973,4**	1 668,3
15. Dividends paid		
Ordinary dividends paid	**1 735,0**	1 561,5
Dividends paid and reflected in statement of changes in equity	**1 735,0**	1 561,5
Ordinary shares		
No. 100 of 292 cents, paid 24 October 2022		982,7
No. 101 of 172 cents, paid 17 April 2023		578,8
No. 102 of 310 cents, paid 23 October 2023	**1 050,3**	
No. 103 of 202 cents, paid 22 April 2024	**684,7**	
	1 735,0	1 561,5
Ordinary final dividend No. 104 of 388 cents in respect of the year ended 30 June 2024 and a special dividend No. 105 of 280 cents per share were declared on 6 September 2024 and are payable on 21 October 2024. This will be at the following cost after taking account of the ordinary shares in issue at the date of approval of the Annual Report.	**2 264,3**	

Dividends have been declared out of income reserves and are subject to dividend withholding tax at a rate of 20% in respect of those shareholders who are not exempt from paying dividend withholding tax.

16. Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

17. Broad-based Black Economic Empowerment ("BBBEE") transactions

The Company sold 20% of its shareholding in I&J HoldCo to Main Street in November 2004. Main Street is jointly owned by Mast Fishing Investment Holdings Proprietary Limited ("Mast Fishing") and Tresso Trading 946 Proprietary Limited ("Tresso Trading"), two broad-based black empowered companies with strong commitments to the South African fishing industry. The proceeds on disposal amounted to R160,8 million and the consideration was funded by the Company subscribing for cumulative redeemable preference shares in Main Street.

The shareholder arrangement with Main Street, the minority shareholder at I&J HoldCo, matured on 1 July 2023. In terms of the agreements, and on the maturity date, AVI Limited exercised its call option over the 20% shareholding in I&J HoldCo held by Main Street and the preference shares held by AVI Limited in Main Street were redeemed.

Replacement BBBEE schemes have been implemented at an I&J Limited level, with an effective direct BBBEE shareholding in I&J Limited of 25% (2023: 25%).

Investment in redeemable preference shares of the Company, including arrear preference dividends is as follows (Note 3):

	2024 R'm	2023 R'm
Main Street 198 Proprietary Limited	**–**	167,4

The investment in redeemable preference shares was measured at amortised cost using the effective interest method.

Reconciliation of the change in fair value of call option assets (Level 3 financial instruments) across all BBBEE transactions:

	2024 R'm	2023 R'm
Fair value of call option assets at beginning of year	**106,8**	263,2
Changes in fair value recognised in profit or loss	**–**	(189,2)
Payment made to Main Street	**–**	32,8
Vesting of call option asset	**(106,8)**	–
Fair value of call option assets at end of year	**–**	106,8
Call option assets	**–**	106,8
Less: Portion receivable within one year included in other receivables (Note 5)	**–**	(106,8)
Call option assets (non-current portion)	**–**	–

A derivative financial asset (call option asset) was recognised to the extent that Main Street's interest in the estimated fair value of I&J HoldCo exceeded the forecast exercise price. The derivative financial instrument was accounted for in terms of IFRS 9 – *Financial Instruments*. The value of the derivative financial instrument when the call option was exercised was included as part of the Company's equity investment in I&J HoldCo upon reacquiring the I&J HoldCo shares.

18. Related party transactions

	2024 R'm	2023 R'm
Transactions with Group entities		
Administration fees paid to a subsidiary – AVI Financial Services Proprietary Limited	**0,9**	0,8
Dividends received from subsidiaries – ordinary dividends (Note 10)	**1 984,1**	1 646,5
Dividends received from subsidiaries – preference dividends (Note 10)	**–**	15,2
Irvin & Johnson Black Staff Holding Company Proprietary Limited – dividend in specie (Note 10)	**148,4**	–
Interest paid to Main Street 198 Proprietary Limited (Note 12)	**–**	14,3
Balances with Group entities		
Loans to subsidiary companies (Note 2)	**60,9**	60,9
Call account maintained with AVI Group Treasury – AVI Financial Services Proprietary Limited (Note 6)	**749,8**	487,2
Group share scheme recharge receivable from subsidiaries (Note 4)	**258,6**	57,0
Other payables to Irvin & Johnson Black Staff Holding Company Proprietary Limited	**–**	33,7
Other payables to Main Street 198 Proprietary Limited	**–**	163,0

Details of the principal subsidiaries and other investments are given in Note 2 and 3.

Material shareholders
The Company does not have a holding company.

Ordinary shares
The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2024 according to the information available to the directors were:

	Number of ordinary shares	%
Government Employees Pension Fund	72 284 124	21,3
Allan Gray	14 742 129	4,3
Vanguard Investment Management	12 798 353	3,8

Directors of the Company
Directors' emoluments
The following emoluments were paid to directors of the Company:

	Salary R'000	Bonus and performance related payments R'000	Pension fund contributions R'000	Gains on exercise of share incentive instruments* R'000	Other benefits and allowances R'000	2024 Total R'000	2023 Total** R'000
Executive directors							
SL Crutchley	**14 433**	**21 602**	**1 137**	**2 023**	**2 444**	**41 639**	54 392
JC O'Meara	**4 930**	**4 682**	**459**	**649**	**170**	**10 890**	11 407
M Koursaris	**7 032**	**7 378**	**875**	**599**	**50**	**15 934**	19 422
	26 395	**33 662**	**2 471**	**3 271**	**2 664**	**68 463**	85 221

* *Gains on exercise of share incentive instruments represent the actual gain received by the director on exercising vested share instruments.*

** *Includes special retention bonuses paid to identified Group executive management by approval of the Remuneration Committee, as follows:*
SL Crutchley – R13,3 million
JC O'Meara – R3,5 million
M Koursaris – R5,3 million

The above directors' emoluments were paid by another AVI Group company.

18. Related party transactions continued

Directors' emoluments continued

	2024 R'000	2023 R'000
Non-executive directors' and committee fees		
GR Tipper (Chairman)[1]	**–**	2 082
MJ Watters (Chairman)[2,3]	**3 071**	285
JR Hersov[4]	**2**	450
MJ Bosman[5]	**–**	442
SG Robinson[6]	**822**	346
A Muller	**919**	851
AM Thebyane[7]	**585**	737
B Silwanyana[8]	**–**	684
MR Mouyeme[9]	**694**	–
VA Davies[10]	**179**	–
Total non-executive directors' and committee fees	**6 272**	5 877
Total directors' emoluments	**74 735**	91 098
The IFRS 2 charge in respect of share incentive instruments granted to directors is as follows:		
SL Crutchley	**22 708**	15 194
JC O'Meara	**4 543**	1 711
M Koursaris	**7 705**	4 765
	34 955	21 670

[1] *Resigned 30 June 2023.*
[2] *Paid in UK Pounds.*
[3] *Appointed 1 June 2023.*
[4] *Resigned 3 July 2023.*
[5] *Resigned 30 January 2023.*
[6] *Appointed 1 March 2023.*
[7] *Resigned 30 April 2024.*
[8] *Resigned 27 June 2023.*
[9] *Appointed 1 August 2023.*
[10] *Appointed 1 June 2024.*

Share incentive scheme interests

The directors of the Company have the following interests in AVI Group share incentive schemes:

The Revised AVI Limited Executive Share Incentive Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Relinquished[1] number	Instruments outstanding at 30 June 2024 number
SL Crutchley	1 April 2019	89,27	115 929	–	–	(115 929)	**–**
	1 April 2020	69,75	361 080	–	–	–	**361 080**
	1 April 2021	73,85	392 674	–	–	–	**392 674**
	1 April 2022	69,23	450 295	–	–	–	**450 295**
	1 April 2023	66,48	511 125	–	–	(13 033)	**498 092**
	1 April 2024	91,54	–	408 319	–	–	**408 319**
JC O'Meara	1 October 2022	73,43	123 020	–	–	–	**123 020**
	1 October 2023	75,20	–	144 150	–	–	**144 150**
M Koursaris	1 April 2019	89,27	55 667	–	(1 903)	(53 764)	**–**
	1 April 2020	69,75	130 064	–	–	–	**130 064**
	1 April 2021	73,85	130 520	–	–	–	**130 520**
	1 April 2022	69,23	148 281	–	–	–	**148 281**
	1 April 2023	66,48	214 125	–	–	–	**214 125**
	1 April 2024	91,54	–	169 501	–	–	**169 501**
			2 632 780	721 970	(1 903)	(182 726)	**3 170 121**

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

All options vest three years after grant date and lapse on the fifth anniversary of the grant date.

18. Related party transactions continued

Directors' emoluments continued

Share incentive scheme interests continued

The AVI Limited Out-Performance Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Lapsed* number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
SL Crutchley	1 October 2020	72,42	102 237	–	(102 237)	–	**–**
	1 October 2021	79,98	99 516	–	–	–	**99 516**
	1 October 2022	72,99	118 861	–	–	–	**118 861**
	1 October 2023	74,00	–	128 962	–	–	**128 962**
JC O'Meara	1 October 2020	72,42	12 000	–	(12 000)	–	**–**
	1 October 2022	72,99	31 734	–	–	–	**31 734**
	1 October 2023	74,00	–	37 561	–	–	**37 561**
M Koursaris	1 October 2020	72,42	34 128	–	(34 128)	–	**–**
	1 October 2021	79,98	32 910	–	–	–	**32 910**
	1 October 2022	72,99	39 308	–	–	–	**39 308**
	1 October 2023	74,00	–	53 764	–	–	**53 764**
			470 694	220 287	(148 365)	–	**542 616**

All instruments vest three years after award date. Instruments are converted to shares if the performance requirements are met on the measurement date.

* *In the year the performance criteria around the TSR achieved were not met and consequently these shares did not vest and lapsed.*

The AVI Limited Deferred Bonus Share Plan

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
SL Crutchley	1 October 2020	74,52	29 496	–	(29 496)	–	**–**
	1 October 2021	86,04	85 280	–	–	–	**85 280**
	1 October 2022	73,43	219 682	–	–	–	**219 682**
	1 June 2023	63,58	159 194	–	–	–	**159 194**
	1 October 2023	75,20	–	197 495	–	–	**197 495**
JC O'Meara	1 October 2020	74,52	4 726	–	(4 726)	–	**–**
	1 October 2021	86,04	1 922	–	–	–	**1 922**
	1 October 2022	73,43	28 433	–	–	–	**28 433**
	1 June 2023	63,58	51 003	–	–	–	**51 003**
	1 October 2023	75,20	–	47 542	–	–	**47 542**
M Koursaris	1 October 2020	74,52	8 010	–	(8 010)	–	**–**
	1 October 2021	86,04	23 288	–	–	–	**23 288**
	1 October 2022	73,43	60 718	–	–	–	**60 718**
	1 June 2023	63,58	80 371	–	–	–	**80 371**
	1 October 2023	75,20	–	68 050	–	–	**68 050**
			752 123	313 087	(42 232)	–	**1 022 978**

All instruments vest three years after award date. Upon vesting, the shares become unrestricted in the hands of participants.

19. Financial risk management

19.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing financial risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The AVI Treasury, together with the relevant business unit executives, is responsible for developing the relevant financial risk management policies and for monitoring risk.

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

The AVI Audit Committee oversees management's monitoring of compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Company. The AVI Audit Committee is assisted in its oversight role by internal audit.

19.2 Capital management

The Board's policy is to maintain a strong working capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

From time to time the Company purchases its own shares in the market under general authority granted by shareholders; the timing of these purchases depends on market prices. Primarily, the shares are repurchased as part of a programme to return capital to shareholders, but some may be used for issuing shares under the AVI Group's share incentive schemes. Buying decisions are made under specific mandates from the executive directors.

There were no changes to the Company's approach to capital management during the year.

19. Financial risk management continued

19.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, loan receivables and other investments.

Cash and cash equivalents and other investments

The majority of the Company's investments are in liquid securities with counterparties that have sound credit ratings. Where considered necessary, security is sought. Management does not expect any counterparty to fail to meet its obligations.

Guarantees

The Company's policy is to provide limited financial guarantees in respect of banking facilities for subsidiaries. At 30 June 2024 guarantees were in place for AVI Financial Services Proprietary Limited, National Brands Limited, Irvin & Johnson Holding Company Proprietary Limited, A&D Spitz Proprietary Limited, Indigo Brands Proprietary Limited, Hampton Sportswear Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Irvin & Johnson Aquaculture Proprietary Limited and Irvin & Johnson Property Holding Company Proprietary Limited (2023: AVI Financial Services Proprietary Limited, National Brands Limited, Irvin & Johnson Holding Company Proprietary Limited, A&D Spitz Proprietary Limited, Indigo Brands Proprietary Limited, Hampton Sportswear Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Irvin & Johnson Aquaculture Proprietary Limited and Irvin & Johnson Property Holding Company Proprietary Limited). There have been no draw downs of the above mentioned guarantees in the current and prior year.

In addition, the Company provides limited sureties for outstanding debt under the cash management agreement for subsidiary companies that participate in AVI's cash management agreement.

Subordination agreement

The Company has subordinated its right to claim or accept repayment of a portion of its loan from Green Cross Manufacturers Proprietary Limited in favour of the other creditors until the assets of Green Cross Manufacturers Proprietary Limited, fair valued, exceed its liabilities.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024 R'm	2023 R'm
Loans to subsidiaries	**60,9**	60,9
Cash and cash equivalents	**750,2**	487,7
Group share scheme recharge receivable from subsidiaries	**258,6**	57,0
Total	**1 069,7**	605,6

19.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments, and excluding the impact of netting agreements:

	Carrying amount R'm	**Contractual cash flows R'm**	**1 year or less R'm**	**+1 – 2 years R'm**	**+2 – 5 years R'm**	**More than 5 years R'm**
30 June 2024						
Non-derivative financial liabilities						
Other payables	**9,2**	**9,2**	**9,2**	**–**	**–**	**–**
30 June 2023						
Non-derivative financial liabilities						
Other payables	205,5	205,5	205,5	–	–	–

19. Financial risk management continued

19.5 Market risk

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

Interest rate risk

The Company, being strongly cash generative, adopts a policy of ensuring that most of its exposure to changes in interest rates on borrowings is on a floating rate basis. The interest rate profile of the Company relates to bank balances. In the prior year, the interest rate profile of the Company related to the BBBEE transaction where both the fair value of the investment on redeemable preference shares and corresponding liability (disclosed in other payables) had the same interest rate as an underlying input. At reporting date the net asset of these instruments is R0,4 million (2023: net liability of R28,9 million) and the net impact of changes in the market interest rates will therefore be minor.

An increase of 100 basis points in interest rates at the reporting date, calculated on the net closing balances (as mentioned above) and using simple interest for 12 months, would have decreased profit and equity by a negligible amount (2023: decreased by R0,3 million). A decrease of 100 basis points would have had the equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2023.

20. Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, including their levels in the fair value hierarchy (if applicable).

	CARRYING AMOUNT			FAIR VALUE HIERARCHY		
	Assets / Liabilities	Debt instruments, derivatives and equity instruments at fair value through profit or loss / Financial liabilities at fair value through profit or loss	Debt instruments at amortised cost / Financial liabilities at amortised cost	Level 1	Level 2	Level 3
30 June 2024	**R'm**	**R'm**	**R'm**	**R'm**	**R'm**	**R'm**
Financial assets measured at fair value	–	–	–	–	–	–
Call option assets	–	–	–			–
Financial assets not measured at fair value	**811,1**	–	**811,1**	–	–	–
Loans to subsidiary companies	60,9	–	60,9			
Other investments	–	–	–			
Cash and cash equivalents	750,2	–	750,2			
Financial liabilities not measured at fair value	**(9,2)**	–	**(9,2)**	–	–	–
Other payables and accrued expenses	(9,2)	–	(9,2)			

20. Financial assets and liabilities continued

Accounting classifications and fair values continued

	CARRYING AMOUNT			FAIR VALUE HIERARCHY		
	Assets / Liabilities	Debt instruments, derivatives and equity instruments at fair value through profit or loss / Financial liabilities at fair value through profit or loss	Debt instruments at amortised cost / Financial liabilities at amortised cost	Level 1	Level 2	Level 3
30 June 2023	R'm	R'm	R'm	R'm	R'm	R'm
Financial assets measured at fair value	106,8	106,8	–	–	–	106,8
Call option assets	106,8	106,8	–			106,8
Financial assets not measured at fair value	716,0	–	716,0	–	–	–
Loans to subsidiary companies	60,9	–	60,9			
Other investments	167,4	–	167,4			
Cash and cash equivalents	487,7	–	487,7			
Financial liabilities not measured at fair value	(205,5)	–	(205,5)	–	–	–
Other payables and accrued expenses	(205,5)	–	(205,5)			

Management has assessed that the fair values of borrowings by subsidiary companies, preference shares, cash and cash equivalents, other receivables and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The different levels as disclosed in the table above have been defined as follows:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

Measurement of fair value
The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

20. Financial assets and liabilities continued

Financial instruments measured at fair value

Derivative financial instruments was recognised for the call options relating to I&J HoldCo's BBBEE transactions (Note 17). These derivative financial instruments were accounted for in terms of IFRS 9 – *Financial Instruments*.

The valuation technique, unobservable inputs and the inter-relationship between significant inputs and the fair value in respect of the call option assets/liabilities are detailed below:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Derivative financial instruments at fair value in respect of the call option asset.	The call option asset was measured as the difference between I&J HoldCo's estimated fair value and the forecast option exercise price. The forecast option exercise price was determined by assessing the expected cash flows with reference to a fixed formula, taking into account the minimum guaranteed exercise price, which formed the basis of whether there may be future payments and considered the Irvin & Johnson ("I&J") Group forecast headline earnings over the applicable measurement period taking cognisance of historical earnings volatility. Given the complexity of I&J's business and historical headline earnings volatility, the determination of forecast earnings is challenging, however, at 30 June 2023, the uncertainty remained only over the F24 budget period headline earnings. I&J's estimated fair value was determined by: • evaluating the reasonability of its net asset value; • assessing future earnings prospects; and • considering specific factors unique to an asset of its nature. In the prior year, an estimated forecast exercise price was used in the calculation of the call option asset.	I&J's forecast headline earnings are impacted by exchange rates, hake resource performance, quota allocation and selling prices in export markets.	The estimated fair value would increase/(decrease) if the headline earnings were higher/(lower).

There were no transfers between Levels 1,2 or 3 of the fair value hierarchy for the years ended 30 June 2024 and 30 June 2023.

A reconciliation of the movement in the fair value of the call option assets has been disclosed in Note 17.

21. Segment reporting

Management have assessed that this entity is managed as one segment due to the fact that it is an investment holding company. The primary source of income is dividends received. Segment reporting is not disclosed in this set of annual financial statements.

The segment report of the AVI Limited Group of companies is included in the consolidated annual financial statements available at the Company's registered office or on the AVI website www.avi.co.za.

22. Going concern

The Company earned a net profit for the year ended 30 June 2024 of R2 013,8 million (2023: R1 446,6 million) and as of that date, its total assets exceeded its total liabilities by R2 628,2 million (2023: R2 251,4 million).

The trading environment remains particularly challenging given the volatility around currency, the impact of load-shedding as well as the financial state of South Africa's consumers. The Company remains focused on optimising its return on capital, sustaining margin positions and achieving growth in its underlying businesses. We have seen improvements in most key performance indicators.

As part of preparing the financial results, the Company has performed a detailed going concern assessment. This assessment has relied on the Company's 2025 budget and has considered the profitability and solvency projections over the budget period. The budget for the year ahead was presented in the context of a challenging local economic environment, with the impacts thereof continuing to affect our subsidiaries and their customers through 2024 and 2025. Even under these conditions, the budget delivered shareholder value creation while maintaining stable capital and solvency positions throughout the cycle. As part of the budget process, a downside scenario was considered that examined a protracted inflation scenario in the midst of continuing infrastructure failures which will fuel inflation and reduce economic activity. The assessment shows that the Company remains sufficiently capitalised with appropriate levels of liquidity and no material uncertainty in relation to the going concern has been identified in the base budget as well as the downside scenario.

Based on the above, no material uncertainties that would require disclosure have been identified in relation to the ability of the Company to remain a going concern for at least the next 12 months. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the annual financial statements.

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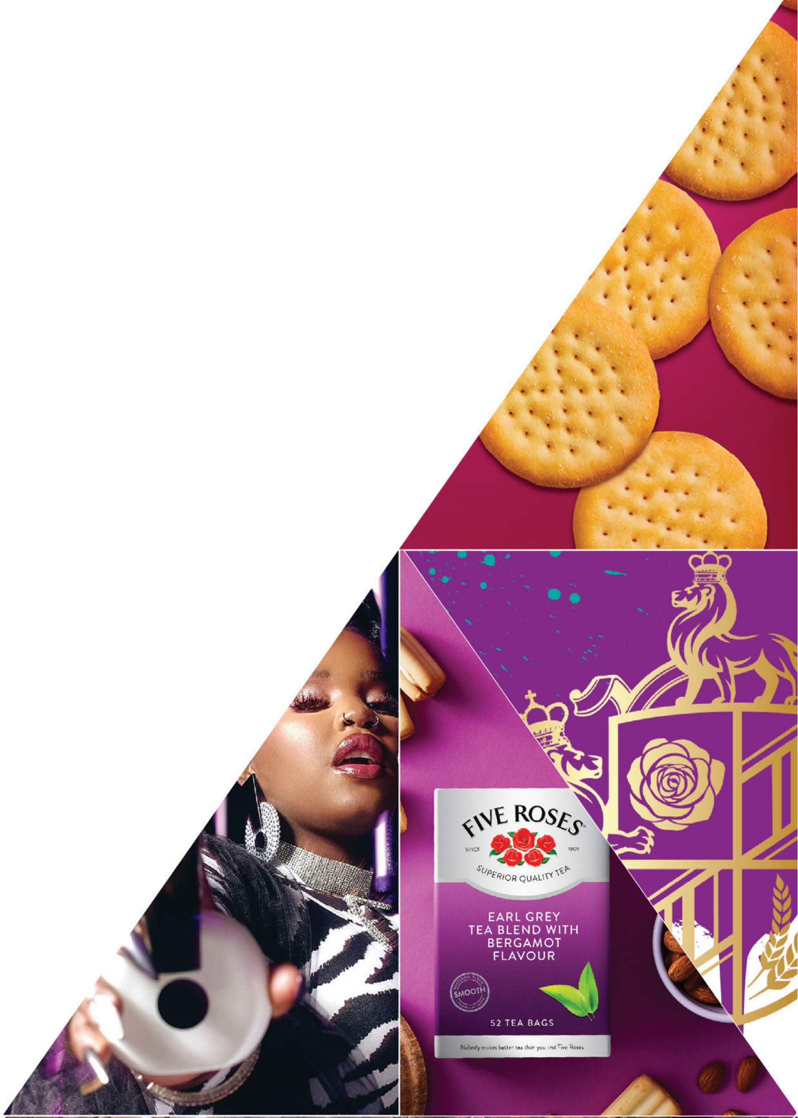
FIVE ROSES
SUPERIOR QUALITY TEA
EARL GREY TEA BLEND WITH BERGAMOT FLAVOUR
SMOOTH
52 TEA BAGS


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