Omnia Holdings Limited

Audited Annual Financial Statements for the year ended 31 March 2022

CONTENTS

Omnia is a diversified Group that conducts research and development, and manufactures and supplies chemicals and specialised services and solutions for the Agriculture, Mining and Chemicals application industries.

Omnia adds value for customers at various stages of the supply and service chain by using innovation combined with intellectual capital.

With our purpose of Protecting Life, Sustaining Livelihoods and Creating a Better World, the Group's solutions for our customers promote the responsible handling and use of chemicals for health, safety and a lower-environmental impact, with a progressive shift towards cleaner technologies.

www.omnia.co.za

omniaIR@omnia.co.za

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

for the year ended 31 March 2022

The board of directors is responsible for the preparation, integrity and fair presentation of the consolidated annual financial statements of Omnia Holdings Limited.

The consolidated annual financial statements for the year ended 31 March 2022 are presented on pages 11 to 80 and have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, to the extent applicable, the JSE Listings Requirements, and the Companies Act 71 of 2008, as amended (Companies Act). They are based on appropriate accounting policies, which have been consistently applied and which are supported by reasonable and prudent judgements, including judgements involving estimations. The going concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The board of directors is also responsible for the Group's systems of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the consolidated annual financial statements and to adequately safeguard, verify and maintain accountability of assets. These controls are monitored throughout the Group by management and employees with the necessary segregation of authority and duties. Processes are in place to monitor internal controls, to identify material breakdowns and implement timely corrective action. The board of directors is committed to the continuous improvement of the control environment.

The consolidated annual financial statements have been audited by Deloitte & Touche (Deloitte). The independent auditor was granted unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the board, and committees of the board. The directors believe that all representations made to the independent auditor during its audit were valid and appropriate. The report of the auditor is presented on pages 08 to 10.

The directors of the company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors' report and the annual financial statements were approved by the board on 20 June 2022 and are signed on its behalf by

R Havenstein
Chair

T Gobalsamy
Chief executive officer

S Serfontein
Finance director

20 June 2022

THE CEO AND FINANCE DIRECTOR RESPONSIBILITY STATEMENT

for the year ended 31 March 2022

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 11 to 80, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) 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 consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and

(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 within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Signed by the CEO and the finance director

T Gobalsamy
Chief executive officer

S Serfontein
Finance director

20 June 2022

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended 31 March 2022

In terms of section 88(2)(e) of the Companies Act, I confirm that, to the best of my knowledge, Omnia Holdings Limited has lodged with the Companies and Intellectual Property Commission for the financial year ended 31 March 2022 all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices are true, correct and up to date.

M Nana
Company secretary

20 June 2022

PREPARATION OF FINANCIAL STATEMENTS

for the year ended 31 March 2022

The Group consolidated financial statements were published on 20 June 2022 and are for the year ended 31 March 2022. These comprise the audit committee's report to stakeholders, the Directors' report, the Declaration by the company secretary, the External auditor's report, the basis of reporting and significant accounting policies, and the financial statements.

These financial statements have been audited as required by the Companies Act and their preparation was supervised by the finance director, Stephan Serfontein CA(SA).

DIRECTORS' REPORT

for the year ended 31 March 2022

The board of directors present their report which forms part of the consolidated annual financial statements of Omnia Holdings Limited (Omnia or the Group) for the year ended 31 March 2022. The annual financial statements set out fully the financial position, results of operations and cash flows for the Group for the financial year ended 31 March 2022 and were prepared by the Group finance staff of Omnia and supervised by Stephan Serfontein, the finance director.

BUSINESS PROFILE

Omnia Holdings Limited is incorporated and domiciled in the Republic of South Africa and was listed on the JSE Limited (JSE) in 1980. Omnia is a diversified chemicals Group that supplies chemicals and specialised services and solutions for the agriculture, mining and chemical application industries. Using technical innovation combined with intellectual capital, the Group, with the expertise of its 4 010 employees working in 25 countries, adds value for customers at each stage of the supply and service chain. With its vision of protecting life, sustaining livelihoods and creating a Better World, the Group's solutions promote the responsible use of chemicals by reducing negative impact on the environment and encouraging shifts towards cleaner technologies. The subsidiaries of the Group are involved in the development, manufacture, distribution and sale of fertilizers, speciality fertilizers, unique agriculture biological (AgriBio) products, including humates, fulvates and kelp products, mining explosives and accessories and chemicals.

FINANCIAL RESULTS

Notwithstanding the impact of COVID-19 and general economic and sector challenges, the Group operating profit (from continuing operations) increased by 40% to R1 597 million (FY2021: R1 138 million). The Group generated a total net profit after tax of R1 353 million for the year ended 31 March 2022 (FY2021: R1 383 million).

DIVIDENDS

The board has declared a final gross cash dividend of 275 cents per ordinary share totalling R465 million, payable from income in respect of the year ended 31 March 2022.

Special dividends declared

The board has declared a special gross cash dividend of 525 cents per ordinary share totalling R888 million, payable from income in respect of the year ended 31 March 2022.

SHARE CAPITAL

There was no change to the authorised ordinary share capital of Omnia during the year. Share capital decreased to R3 145 million (2021: R3 314 million) as a result of the purchase of shares for share incentive schemes. The total number of shares in issue as at 31 March 2022, net of treasury shares, was 162 832 321 shares (2021: 165 683 817 shares).

Further detail of the authorised and issued capital of the company is given in note 13 of the consolidated annual financial statements. The unissued ordinary shares are under the control of the directors of the company until the next annual general meeting.

Refer to pages 81 to 82 of the annual financial statements for the shareholders' analysis.

CAPITAL STRUCTURE

Capital at year end net of cash and cash equivalents (excluding lease liabilities) amounts to net cash of R2 352 million (2021: R1 767 million) and are made up as follows:

Rm	**31 March 2022**	31 March 2021
Interest-bearing borrowings (non-current and current)	**(52)**	(66)
Lease liabilities (non-current and current)	**(270)**	(373)
Bank overdrafts	**(1)**	–
Cash and cash equivalents	**2 405**	1 833
Net cash	**2 082**	1 394

The level of borrowings is authorised in terms of the company's memorandum of incorporation and borrowings have been authorised in terms of the required board approvals. A detailed list of all borrowings is set out in note 16 of the annual financial statements.

The Group's financial covenants were met at 31 March 2022.

CAPITAL EXPENDITURE

Capital expenditure of R387 million (2021: R417 million) was primarily related to the installation of solar energy across our manufacturing plant, replacement of Mobile Manufacturing Units (MMU) and further investments to operationalise the Canadian JV.

DIRECTORS AND COMPANY SECRETARY

The curricula vitae of the directors and company secretary in office at the date of this report are available on www.omnia.co.za. The following changes were made to the board of directors:

- Tina Eboka is appointed as Chair-designate of the Board effective 21 September 2022.
- Ronel van Dijk was appointed as a member of the audit committee and as an independent non-executive director on 1 May 2022.
- R Havenstein retires as Chair of the board effective 21 September 2022.

Details of directors' remuneration are set out in note 30 to the consolidated annual financial statements.

DIRECTORS' REPORT *continued*

for the year ended 31 March 2022

The table below summarises directors' interest in shares in Omnia Holdings Limited:

	31 March 2022				31 March 2021			
	Total	**Direct beneficial**	**Indirect beneficial**	**Indirect non-beneficial**	Total	Direct beneficial	Indirect beneficial	Indirect non-beneficial
R Havenstein[1]	**1 922**	**1 922**	**–**	**–**	1 922	1 922	–	–
F Butler[2]	**n/a**	**n/a**	**n/a**	**n/a**	15 913	15 913	–	–
N Binedell	**16 000**	**16 000**	**–**	**–**	16 000	16 000	–	–
Z Swanepoel	**10 000**	**10 000**	**–**	**–**	10 000	10 000	–	–
T Gobalsamy	**2 425 507**	**2 425 507**	**–**	**–**	1 728 000	1 728 000	–	–
S Serfontein	**195 007**	**195 007**	**–**	**–**	120 000	120 000	–	–
Total	**2 648 436**	**2 648 436**	**–**	**–**	1 891 835	1 891 835	–	–

[1] Retires as chairman of the board and independent non-executive director effective 21 September 2022.
[2] Retired as independent non-executive director on 23 September 2020.

SUBSIDIARIES, JOINT VENTURES AND JOINT OPERATIONS

Details of the company's principal subsidiaries, joint ventures and joint operations are set out in the annual financial statements in note 31.

SPECIAL RESOLUTIONS

At the annual general meeting of Omnia shareholders convened on 22 September 2021, the following special resolutions were passed by the company:

- Approval of non-executive directors and chair's fees;
- General approval: Financial assistance for subscription of securities in terms of section 44 of the Companies Act;
- General approval: Financial assistance for loans in terms of section 45 of the Companies Act; and
- Approval of the general authority to repurchase shares.

More information on these resolutions can be obtained from the company secretary at michelle.nana@omnia.co.za.

No special resolutions were passed by the South African subsidiaries of the company during the year under review.

DIRECTORS' AND OFFICERS' DISCLOSURE OF INTEREST IN CONTRACTS

During the financial year, no contracts were entered into in which the directors and officers of the company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any business activities of the Group.

GOING CONCERN

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group can continue to operate for the foreseeable future. At the date of approving these financial statements, the directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements including possible prolonged periods of reduced operations due to COVID-19 or other unexpected headwinds. This assessment is supported by the Group's increased net cash position following improved cash generation by the underlying businesses and the receipt of the Umongo Group share repurchase proceeds. The directors conclude that the going concern assumption is an appropriate basis of preparation for these financial statements.

EVENTS AFTER THE REPORTING PERIOD

Refer to note 34 of the consolidated annual financial statements for disclosure regarding events after the reporting period.

AUDITOR

The audit committee recommended that Deloitte & Touche be reappointed as the external auditor of the Group for the forthcoming financial year, and that Thega Marriday be appointed as the designated auditor for this purpose, in terms of the resolution to be proposed at the annual general meeting in accordance with the Companies Act.

AUDIT COMMITTEE REPORT

for the year ended 31 March 2022

The Omnia Group audit committee is pleased to present its report for the financial year ended 31 March 2022, in line with the Companies Act No 71 of 2008, as amended (Companies Act), the JSE Listings Requirements, the King IV Report on Corporate Governance™[1] for South Africa 2016 (King IV), and other applicable regulatory requirements.

The audit committee's duties are set out in its charter, which is available on Omnia's website at https://www.omnia.co.za/ investors-and-media/charters.

In terms of its charter, the committee provides independent oversight of the effectiveness of Omnia's internal financial control environment, its assurance functions and services, and the integrity of the Group's annual financial statements and related reporting.

The governance of risk at Omnia is delegated by the board to the social, ethics and risk committee. The audit committee does, however, continue to oversee the governance of financial and other risks that might affect the integrity of Omnia's financial reporting. The audit committee chair attends all social, ethics and risk committee meetings.

Committee composition and meeting attendance

The committee comprises independent non-executive directors only, all of whom satisfied the requirements of section 94(4) of the Companies Act. As a collective and having regard to the size and complexity of the Group, the committee is adequately skilled, and its members collectively possess the appropriate financial and related qualifications, skills, expertise and experience required to discharge its responsibilities.

During the financial year, the committee comprised the following members:

Member	Appointed	Attendance	Regular invitees
George Cavaleros (chair)	5 August 2019	**7/7**	Chair of the social, ethics and risk committee Chair of the board Chief executive officer Finance director External and internal auditors General counsel
Tina Eboka	14 March 2018	**7/7**	
Ronnie Bowen	13 April 2017	**7/7**	
Wim Plaizier	30 March 2021	**7/7**	

Ronel van Dijk was appointed as a non-executive director and member of the audit committee subsequent to the financial year end on 1 May 2022.

As part of the annual evaluation of the board, the performance of the committee was also assessed and was found to be satisfactory.

Key focus areas for the year ended 31 March 2022

In addition to carrying out its duties as set out in its charter, the audit committee focused on the following matters during the year:

- Upgrade of financial accounting system and related governance
- Information and technology governance
- The internal control environment and financial risk processes, including the combined assurance framework
- Finance team skills and capacity
- Simplification of the Group structure
- Legal matters, tax and treasury
- External and internal auditor transition and subsequent monitoring

Discharge of duties for the 2022 financial year

The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference, the JSE Listings Requirements, the Companies Act and the King IV Report on Corporate Governance. To this end, the following specific aspects are highlighted:

Recommendation of the annual financial statements to the board for approval

The committee reviewed the Group's accounting policies, significant accounting matters and judgements and estimates, as well as the going concern assessment applicable to the annual financial statements for the year ended 31 March 2022 and ensured that these annual financial statements and the related results announcements were in compliance with the provisions of the Companies Act, IFRS and the JSE Listings Requirements.

During the finalisation of the annual financial statements by management, the audit committee considered the various matters emanating from the JSE's proactive monitoring process of listed companies annual and interim financial statements. As part of its monitoring process, the JSE reviewed the Group's 2021 annual financial statements, as well as its interim report for the six-month period ended 30 September 2021. The JSE requested clarity on a few matters and closed its enquiry following the Group's submission.

[1] Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

AUDIT COMMITTEE REPORT *continued*

for the year ended 31 March 2022

As fully explained in note 2.8 of the Group's annual financial statements, certain FY2021 and FY2020 statements of financial position amounts have been restated. Such restatements did not have a material impact on the Group's current or previously reported financial position or earnings.

Key audit matter (KAM)

The KAM identified and reported on by Deloitte was also a matter of interest to the audit committee. The table provides insight as to how the committee considered and oversaw the uncertain tax positions in relation to the annual financial statements.

KAM	Committee's response to the matter
Uncertain Tax Positions (IFRIC 23)	The key matter requiring the committee's consideration is related to the accounting treatment, measurement, and disclosure of uncertain tax positions. The committee interrogated and evaluated management's underlying assumptions and judgements, which incorporated advice from external tax professionals, in determining the accounting treatment, measurement and disclosure of the Group's uncertain tax positions. The committee concurred with the assessment made by management.

External and internal auditor rotation and transition

Following a robust tender process, the shareholders, at the AGM held on 22 September 2021, approved the appointment of Deloitte and Mr Thega Marriday as the responsible partner as the Group's external auditors for the 2022 financial year. In addition, PWC were appointed to perform the internal audit function on an outsourced basis from 1 April 2021. The internal audit effort is headed by Mr Anton van Wyk (PwC) who also fulfils the role of chief audit executive.

External audit quality and independence

The committee considered and satisfied itself with the audit quality and independence of Deloitte and Mr Thega Marriday in their respective capacities as the appointed external audit firm and lead audit partner. In doing so, the committee considered the external auditor's suitability assessment and adherence in terms of paragraph 3.84(g)(iii) and section 22.15(h) of the JSE Listings Requirements. The committee also reviewed audit quality based on the committee's own assessment in addition to considering the documents presented by Deloitte, as required by the JSE Listings Requirements, and found it to be satisfactory. The committee will recommend to shareholders on 21 September 2022 that the services of Deloitte and Mr Thega Marriday (the lead partner) be retained for the Group's 2023 financial year.

Furthermore, the committee ensured that the scope of non-audit services rendered by Deloitte did not impair auditor independence. Fees for audit related services incurred during the year amounted to R26 million and non-audit related services R133 000 (2021: R34 million and R4 million) respectively.

Internal audit and internal financial controls

The internal audit function has unfettered access to the audit committee, with Mr Anton van Wyk attending all committee meetings. Internal audit activities were carried out in terms of a committee approved detailed internal audit plan focusing on matters of management and committee interest.

At every relevant meeting, the committee considered the results of the reviews performed by internal audit and ensured that adequate responses were provided by management to address recommendations made by PwC. Following the work conducted in terms of the internal audit plan, PwC concluded that the Group's internal financial controls were adequately designed and operated effectively during the year. Notwithstanding such findings, there are areas considered not significant by PwC where continued management attention is required.

A substantial improvement in the internal financial control (IFC) environment during the year was communicated by the CEO and CFO to the audit committee. Both the Group's internal and external audit providers concur with such an assessment.

Despite such progress, the CEO and the CFO have advised the committee that certain low, medium and high-risk IFC deficiencies continue.

Actions to remedy these insufficiencies and to improve the IFC environment have been communicated to the committee by the CEO and the CFO, and include the following:

- remediation of fragmented and manual processes, as well as the reduction of manual interventions by standardising business processes with the upgrade to Microsoft D365 (ERP system) in the medium term;
- increase reliance on preventative controls rather than focusing excessively on detective and corrective actions; and
- continued focus on staff capacity and critical skills levels.

The committee will continue to actively assess the appropriateness of the remediation plan and robustly monitor progress on a regular basis.

The internal audit plan for the year ending 31 March 2023 is currently being finalised by PwC and will be reviewed and approved by the committee in due course.

The audit committee approved the internal audit charter and satisfied itself that the internal audit function is independent and had the necessary resources, standing and authority to discharge its duties.

Evaluation of the expertise and adequacy of the finance director and the finance function

The committee considered and satisfied itself regarding the appropriateness of the expertise of the finance director, Mr Stephan Serfontein, and the adequacy of resources within the Group's finance function. While recent additions to the wider finance team have had a positive impact on the Group, further appointments to, or reorganisations within the wider finance functions, continue to be necessary.

Combined assurance

The Group's management conducted an internal (including PwC) workshop during the current reporting period on how best to improve and formalise the combined assurance model. The outcome of such engagement was the development of the Combined Assurance Roadmap to Optimisation. It is anticipated that a more robust and formalised combined assurance model will be presented to the audit committee for review during the next few months.

Russia-Ukraine conflict

The Russia-Ukraine conflict continues to have impacts on global economic activity and the sectors in which Omnia operates. Russia and Ukraine are significant role players in agricultural commodity markets in terms of grains (wheat and maize), oil seeds (soybean, canola and sunflowers) and key agricultural inputs such as Nitrogen (Ammonia and Urea), Phosphates (Monoammonium Phosphate and Diammonium Phosphate) and Potassium (Potash), which has resulted in supply shortages and increased prices of agricultural inputs.

The committee has considered management's assessment that the conflict as well as COVID-19, had no negative impact on the financial position of the Group as at 31 March 2022 and is comfortable with the conclusion reached.

Key focus areas for the year ending 31 March 2023

In addition to carrying out its duties as set out in its charter, the audit committee will focus on the following matters for the 2023 financial year:

- Information technology and governance
- Financial accounting and reporting system enhancements with phased rollout to the business units
- Financial risk management and combined assurance effectiveness and maturity
- Control environment
- Finance team skills and capacity
- Business and legal structures
- Tax and treasury

Finally, it would be remiss of the committee not to thank the Omnia finance teams for their significant contribution during a very challenging financial period. The committee welcomes Ms Ronel van Dijk CA(SA) as a member with effect for 1 May 2022 and looks forward to her contribution to its deliberations.

G Cavaleros

George Cavaleros
Audit committee chair

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF OMNIA HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Omnia Holdings Limited and its subsidiaries (the Group) set out on pages 11 to 80, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Omnia Holdings Limited and its subsidiaries as at 31 March 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Key audit matters

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

Uncertain tax positions

The Group operates in jurisdictions where the tax environments are highly complex, particularly with respect to cross border transactions. Furthermore, the interpretation and application of tax legislation in certain jurisdictions in which the Group operates can be unclear and unpredictable. There continues to be an increase in enforcement activities, and increasingly stringent interpretations of existing legislation by local revenue authorities.

These developments give rise to complexity and uncertainty in respect of the calculation of income taxes and consideration of contingent liabilities associated with tax years open to audit and other exposures. The accounting interpretation IFRIC 23: *Uncertainty over Income Tax Treatments* is applied by the Group together with IAS 12: *Income Taxes* to assess and measure the uncertainty over income tax treatments.

In May 2017, the South African Revenue Service ("SARS") issued Omnia Group (Pty) Ltd ("Omnia") with an audit notification letter for the 2014 to 2016 years of assessments on Transfer pricing transactions with connected foreign entities. This led to a series of correspondence between Omnia and SARS over several years which culminated in SARS issuing Omnia with additional tax assessments amounting to approximately R945m (inclusive of additional taxation, penalties and interest) relating to the audit periods 2014 to 2016, on 17 June 2021.

Based on the complexity of the matter and the significant judgements involved in determining the probabilities of the amount we have identified this as a key audit matter.

How the scope of our audit responded to the key audit matter

The Group engagement team, with the assistance of our tax specialists in Transfer Pricing matters, performed the following audit procedures:
- We evaluated and tested the design and implementation of controls as part of our risk assessment procedures;
- We held discussions with those charged with governance and inspected various Audit Committee (including the board) minutes on the matter;
- We held meetings with both management's internal taxation specialists and outside legal experts to obtain a detailed understanding of the issue and managements position regarding the proposed accounting treatment;
- We read the detailed letter of audit findings issued by SARS as well as the additional tax assessments issued by SARS on the 17 June 2021;
- We challenged management's inputs, assumptions and probabilities applied in their calculation of the provision for uncertain tax positions, taking into consideration the IFRIC 23 guidance;
- We performed a detailed review and reperformance of the calculations performed by management; and
- We assessed the adequacy of disclosures in the financial statements (included in note 26) in relation to liabilities for uncertain tax positions, and the respective disclosures provided around the significant judgments and estimates.

Based on our audit work, the significant judgements and inputs used in the estimations and related disclosures appear appropriate.

Other matter

The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by another auditor who expressed an unqualified opinion on those statements on 23 June 2021.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Omnia Holdings Limited Audited Annual Financial Statements for the year ended 31 March 2022" and "Omnia Holdings Limited Separate Financial Statements for the year ended 31 March 2022", which includes the Directors' Report, the Audit Committee Report, The Certificate by the Company Secretary as required by the Companies Act of South Africa and CEO and finance director responsibility statement, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT *continued*

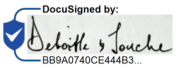
We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of OMNIA Holdings Limited for 1 year.



Deloitte & Touche
Registered Auditor
Per: T Marriday
Partner

20 June 2022

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

Rm	Notes	2022	Restated[1] 2021	Restated[1] 2020
ASSETS				
Non-current assets		**5 427**	6 048	8 532
Property, plant and equipment	3	**4 593**	4 794	5 328
Right-of-use assets	4	**227**	320	444
Goodwill and intangible assets	5	**278**	779	2 579
Investments accounted for using the equity method	6	**23**	24	11
Financial assets at fair value through profit and loss	7	**90**	–	–
Trade and other receivables	10	**–**	54	104
Deferred income tax	8	**216**	77	66
Current assets		**10 563**	8 670	9 428
Inventories	9	**4 175**	3 246	3 647
Trade and other receivables	10	**3 744**	3 435	4 151
Derivative financial instruments	2.10	**5**	6	160
Income tax		**234**	56	110
Cash and cash equivalents	11.1	**2 405**	1 833	1 360
Restricted cash	11.2	**–**	94	–
Assets held for sale	12	**21**	21	–
Total assets		**16 011**	14 739	17 960
EQUITY AND LIABILITIES				
Equity				
Capital and reserves attributable to the owners of Omnia Holdings Limited		**10 022**	9 740	9 617
Share capital	13	**3 145**	3 314	3 404
Reserves	14	**488**	385	1 611
Retained earnings		**6 389**	6 041	4 602
Non-controlling interest	15	**(4)**	(1)	118
Total equity		**10 018**	9 739	9 735
Liabilities				
Non-current liabilities		**805**	730	2 820
Deferred income tax	8	**488**	379	674
Interest bearing borrowings	16	**47**	25	1 693
Lease liabilities	17	**211**	278	366
Derivative financial instruments	2.10	**–**	–	28
Provisions	19	**59**	48	59
Current liabilities		**5 188**	4 270	5 405
Interest bearing borrowings	16	**5**	41	841
Lease liabilities	17	**59**	95	119
Bank overdrafts	11.1	**1**	–	93
Derivative financial instruments	2.10	**62**	14	99
Income tax		**492**	413	284
Contract liabilities	20	**347**	300	477
Provisions	19	**42**	34	20
Trade payables – supply chain financing	18	**135**	–	–
Trade and other payables	18	**4 045**	3 373	3 472
Total liabilities		**5 993**	5 000	8 225
Total equity and liabilities		**16 011**	14 739	17 960

[1] Refer to note 2.8 for further details.

The notes on pages 16 to 80 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

Rm	Notes	2022	Restated[1] 2021
Continuing operations			
Revenue	21	**21 437**	16 436
Cost of sales		**(16 815)**	(12 790)
Gross profit		**4 622**	3 646
Distribution expenses		**(1 498)**	(1 394)
Administrative expenses		**(1 369)**	(1 201)
Other operating income	22	**78**	202
Other operating expenses	22	**(277)**	(209)
Impairment losses on non-financial assets	22	**(29)**	–
Impairment loss reversals/(losses) on financial assets	2.10	**29**	(84)
Share of net profit of investments: equity method	6	**–**	2
Operating profit before items below		**1 556**	962
Net impact of hyperinflation and foreign exchange losses		**41**	176
Net foreign exchange losses in Zimbabwe operations	23	**(155)**	(320)
Monetary adjustment for hyperinflation – Zimbabwe	23	**196**	496
Operating profit	24	**1 597**	1 138
Finance income	25	**74**	109
Finance expense	25	**(150)**	(373)
Profit before income tax		**1 521**	874
Income tax expense	26	**(428)**	(267)
Profit for the year from continuing operations		**1 093**	607
Discontinued operations			–
Profit for the year from discontinued operations	2.9	**260**	776
Profit for the year		**1 353**	1 383
Other comprehensive income			
Continuing operations			
Items that may be reclassified to profit or loss (net of tax)			
Currency translation differences – Zimbabwe	14	**(57)**	(290)
Currency translation differences – excluding Zimbabwe	14	**78**	(953)
Other comprehensive income/(loss) for the year from continuing operations		**21**	(1 243)
Discontinued operations			
Other comprehensive loss for the year from discontinued operations		**–**	(1)
Other comprehensive loss for the year		**–**	(1)
Total comprehensive income/(loss) from continuing operations		**1 114**	(636)
Total comprehensive income from discontinued operations		**260**	775
Total comprehensive income for the year		**1 374**	139

[1] Restated for discontinued operations, refer to note 2.8 for further details.

The notes on pages 16 to 80 are an integral part of these financial statements.

Rm	2022	Restated[1] 2021
Profit for the year attributable to:		
Owners of Omnia Holdings Limited	**1 356**	1 383
From continuing operations	**1 096**	607
From discontinued operations	**260**	776
Non-controlling interest	**(3)**	–
From continuing operations	**(3)**	–
From discontinued operations	**–**	–
	1 353	1 383
Total comprehensive income for the year attributable to:		
Owners of Omnia Holdings Limited	**1 374**	154
From continuing operations	**1 114**	(636)
From discontinued operations	**260**	790
Non-controlling interest	**–**	(15)
From continuing operations	**–**	–
From discontinued operations	**–**	(15)
	1 374	139
Earnings per share attributable to the equity holders of Omnia Holdings Limited		
Basic earnings per share from continuing operations (cents)	**653**	364
Basic earnings per share from discontinued operations (cents)	**158**	465
Basic earnings per share (cents)	**811**	829
Diluted earnings per share from continuing operations (cents)	**652**	361
Diluted earnings per share from discontinued operations (cents)	**155**	462
Diluted earnings per share (cents)	**807**	823

[1] Refer to note 2.8 for further details.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	Attributable to the owners of Omnia Holdings Limited					
Rm	Share capital	Treasury shares	Other reserves	Retained earnings	Non-controlling interests	Total
At 31 March 2020	3 534	(130)	1 611	4 602	118	9 735
Profit for the year	–	–	–	1 383	–	1 383
Other comprehensive loss	–	–	(1 197)	–	(15)	(1 212)
Total	3 534	(130)	414	5 985	103	9 906
Transactions with shareholders						
Share-based payment – settlement of Sakhile 2	–	–	(61)	56	–	(5)
Shares acquired as part of a share-based payment scheme	–	(90)	–	–	–	(90)
Share-based payment transactions	–	–	32	–	–	32
Disposal of business	–	–	–	–	(104)	(104)
At 31 March 2021	3 534	(220)	385	6 041	(1)	9 739
Profit for the year	**–**	**–**	**–**	**1 356**	**(3)**	**1 353**
Other comprehensive income	**–**	**–**	**21**			**21**
Total	**3 534**	**(220)**	**406**	**7 397**	**(4)**	**11 113**
Transactions with shareholders						
Shares acquired as part of a share-based payment scheme	**–**	**(169)**	**–**	**–**	**–**	**(169)**
Share-based payment transactions	**–**	**–**	**82**	**–**	**–**	**82**
Dividends paid	**–**	**–**	**–**	**(1 008)**	**–**	**(1 008)**
At 31 March 2022	**3 534**	**(389)**	**488**	**6 389**	**(4)**	**10 018**
Notes	13	13	14		15	

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

Rm	Notes	**2022**	Restated[1] 2021
Net cash inflow from operating activities		**1 367**	2 107
Cash generated from operations	27	**1 941**	2 512
Interest paid	25	**(79)**	(374)
Interest received	25	**59**	117
Income taxes paid	26	**(554)**	(148)
Net cash inflow from investing activities		**664**	1 566
Purchase of property, plant and equipment	3	**(385)**	(392)
Proceeds on disposal of property, plant and equipment and intangible assets	3, 5	**36**	43
Additions to intangible assets	5	**(2)**	(25)
Payment for deferred consideration	18	**(55)**	(263)
Purchase of cell captive preference shares	7	**(4)**	–
Restricted cash released	11	**116**	–
Proceeds from disposal of Umongo/Oro Agri[2]	2.9	**958**	2 203
Net cash outflow from financing activities		**(1 447)**	(2 697)
Purchase of treasury shares	13	**(169)**	(90)
Proceeds from interest-bearing borrowings raised	16	**27**	12
Repayment of interest-bearing borrowings	16	**(41)**	(2 476)
Repayment of lease liabilities	17	**(96)**	(143)
Repayments of trade payables – supply chain financing	18	**(160)**	–
Dividends paid		**(1 008)**	–
Net increase in cash and cash equivalents		**584**	976
Net cash and cash equivalents at the beginning of the year		**1 833**	1 267
Effect of foreign currency movement		**(13)**	(410)
Net cash and cash equivalents at the end of the year	11.1	**2 404**	1 833

[1] Refer to note 2.8 for further details.
[2] Refer to note 2.9 for cash flows from discontinued operations.

The notes on pages 16 to 80 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. GROUP PERFORMANCE

This section provides details on the current year performance of the Group by presenting earnings per share and the Group's performance per segment.

1.1 SEGMENT INFORMATION

The Group identifies different business units that are regularly reviewed by the executive committee to allocate resources and assess performance. These business units offer different products and services and are managed separately. The segment disclosures present the financial performance of each business unit and other material items.

The Group's chief operating decision maker has been identified as the executive committee, consisting of the chief executive officer, the finance director, managing directors of the Group's operating segments and executives of other Group functions. The executive committee is responsible for allocating resources, assessing the performance of operating segments and making strategic decisions.

Operating segments have not been aggregated and are all individually reported as reportable segments. Operating segments have been grouped in terms of the three industries in which the Group trades, being Agriculture, Mining and Chemicals. The executive committee primarily reviews revenue, operating profit, profit before tax, EBITDA (operating profit excluding depreciation, amortisation and impairment losses on non-financial assets), net working capital, net controlled assets (total assets less income, deferred taxation and non-interest-bearing liabilities) on a segment level.

The executive committee reviews the Group's performance from both a product and a geographical perspective and has identified the following seven operating segments within the Group:

- **Agriculture RSA:** As part of its innovative Nutriology® concept, this segment manufactures and trades in granular, liquid and speciality fertilizer, humates and other Biostimulants, as well as value-added services and solutions. The South African customer base includes commercial and small-scale farmers, co-operatives and other corporate clients. The business also supplies raw material and manufactured goods to Agriculture International, Mining and Chemicals segments.
- **Agriculture International:** This segment manufactures and trades in granular, liquid and speciality fertilizers, Biostimulants, including humates, fulvates and kelp products. In addition to fertilizers, a full range of trace elements, Biostimulants and plant health products are used globally to improve crop health, yields and improve soil health in a sustainable and environmentally conscious way. Products, value-added services and solutions are delivered to a broad customer base and exported internationally.
- **Mining RSA:** This segment comprises the BME business in South Africa. The business focuses on blasting agents – bulk emulsion and blended bulk explosives – complemented by the AXXIS™ electronic detonator system and modern software that are crucial to cost-efficient, safe and environmentally friendly mining operations. BME leverages its blasting products, equipment, accessories, technical services and digital solutions to add value to customers' blasting operations. A part of Mining RSA's revenue relates to the recovery of costs for services and technology. This segment also provides raw material and other supplies to the Mining International segment.
- **Mining International:** This segment relates to the BME businesses outside of South Africa (supplying similar products and services to Mining RSA) and includes the Protea Mining Chemicals business. The territories included here are countries in the Southern African Development Community (SADC), West Africa, Australia, Indonesia, USA and Canada (by way of a joint venture).
- **Protea Chemicals:** This segment is a well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other services and solutions serving both RSA and export customers. Sectors into which the business supplies a range of speciality and industrial chemicals, technical and product application support and SHEQ-related services include water, agricultural, industrial and life sciences.
- **Umongo Petroleum (discontinued operation):** This segment was disposed of during the year. It supplies lubricant additives, base oils, process oils and chemicals.
- **Head Office:** This segment includes acquisition related costs, amortisation of intangible assets arising from acquisitions, certain employee share-based payment expenses and certain once-off costs.

Statement of comprehensive income

Gross revenue includes inter-company sales to operating segments in a different industry group. These are then eliminated in the head office segment to disclose the net revenue reported by the Group. Operating profit and profit before tax are measured in the same way as in these financial statements.

No single customer contributes more than 10% towards the gross revenue of the Group.

Statement of comprehensive income

Rm	Gross revenue	Net revenue[1]	Operating profit	Profit before taxation	EBITDA
Year-ended 31 March 2022					
Agriculture RSA	**12 163**	**8 843**	**999**	**997**	**1 410**
Agriculture International (excluding Zimbabwe)	**3 229**	**2 335**	**220**	**243**	**238**
Total Agriculture (excluding Zimbabwe)	**15 392**	**11 178**	**1 219**	**1 240**	**1 648**
Agriculture International (Zimbabwe)	**877**	**442**	**(170)**	**(172)**	**(167)**
Net impact of devaluation in Zimbabwe	**–**	**179**	**41**	**41**	**41**
Total Agriculture	**16 269**	**11 799**	**1 090**	**1 109**	**1 522**
Mining RSA	**4 629**	**3 325**	**277**	**270**	**401**
Mining International	**3 776**	**3 342**	**237**	**240**	**306**
Total Mining	**8 405**	**6 667**	**514**	**510**	**707**
Chemicals	**3 283**	**2 971**	**142**	**138**	**212**
Umongo Petroleum (discontinued operations)	**1 414**	**1 340**	**21**	**22**	**27**
Total Chemicals	**4 697**	**4 311**	**163**	**160**	**239**
Head Office and elimination discontinued[2]	**–**	**–**	**303**	**303**	**303**
Head Office and elimination continuing[2]	**–**	**–**	**(149)**	**(236)**	**(89)**
Total	**29 371**	**22 777**	**1 921**	**1 846**	**2 682**
Total continuing operations	**27 957**	**21 437**	**1 597**	**1 521**	**2 352**
Total discontinued operations[3]	**1 414**	**1 340**	**324**	**325**	**330**
Year ended 31 March 2021					
Agriculture RSA	7 855	5 540	350	366	808
Agriculture International (excluding Zimbabwe)	2 915	2 223	215	216	234
Total Agriculture (excluding Zimbabwe)	10 770	7 763	565	582	1 042
Agriculture International (Zimbabwe)	510	343	188	185	190
Net impact of devaluation in Zimbabwe	–	241	176	176	176
Total Agriculture continuing operations	11 280	8 347	929	943	1 408
Agriculture Biological (discontinued operations)	501	457	66	62	80
Total Agriculture	11 781	8 804	995	1 005	1 488
Mining RSA	3 515	2 319	105	100	217
Mining International	3 069	2 854	182	152	244
Total Mining	6 584	5 173	287	252	461
Chemicals	3 152	2 916	101	88	176
Umongo Petroleum (discontinued operations)	1 386	1 354	66	71	117
Total Chemicals	4 538	4 270	167	159	293
Head Office and elimination discontinued[2]	–	–	682	683	742
Head Office and elimination continuing[2]	–	–	(179)	(409)	(103)
Total	22 903	18 247	1 952	1 690	2 881
Total continuing operations	21 016	16 436	1 138	874	1 942
Total discontinued operations[3]	1 887	1 811	814	816	939

1 Net revenue excludes intercompany transactions eliminated on consolidation.
2 Head office and eliminations includes acquisition-related costs, amortisation of intangible assets from the acquisition, employee share-based payment expenses and certain once-off costs.
3 Discontinued operations for 31 March 2021 includes Agriculture Biological and Umongo Petroleum, discontinued operations for 31 March 2022 only includes Umongo Petroleum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

1. GROUP PERFORMANCE continued

1.1 SEGMENT INFORMATION continued

EBITDA calculation	Operating profit	Depreciation and amortisation	Impairment losses on non-financial assets	EBITDA
Year ended 31 March 2022				
Agriculture RSA	**999**	**(411)**	**–**	**1 410**
Agriculture International (excluding Zimbabwe)	**220**	**(18)**	**–**	**238**
Total Agriculture (excluding Zimbabwe)	**1 219**	**(429)**	**–**	**1 648**
Agriculture International (Zimbabwe)	**(170)**	**(3)**	**–**	**(167)**
Net impact of devaluation in Zimbabwe	**41**	**–**	**–**	**41**
Total Agriculture	**1 090**	**(432)**	**–**	**1 522**
Mining RSA	**277**	**(118)**	**(6)**	**401**
Mining International	**237**	**(53)**	**(16)**	**306**
Total Mining	**514**	**(171)**	**(22)**	**707**
Chemicals	**142**	**(70)**	**–**	**212**
Umongo Petroleum (discontinued operations)	**21**	**(6)**	**–**	**27**
Total Chemicals	**163**	**(76)**	**–**	**239**
Head Office and elimination discontinued	**303**	**–**	**–**	**303**
Head Office and elimination continuing	**(149)**	**(53)**	**(7)**	**(89)**
Total	**1 921**	**(732)**	**(29)**	**2 682**
Total continuing operations	**1 597**	**(726)**	**(29)**	**2 352**
Total discontinued operations	**324**	**(6)**	**–**	**330**
Year ended 31 March 2021				
Agriculture RSA	350	(458)	–	808
Agriculture International (excluding Zimbabwe)	215	(19)	–	234
Total Agriculture (excluding Zimbabwe)	565	(477)	–	1 042
Agriculture International (Zimbabwe)	188	(2)	–	190
Net impact of devaluation in Zimbabwe	176	–	–	176
Total Agriculture continuing operations	929	(479)	–	1 408
Agriculture Biological (discontinued operations)	66	(14)	–	80
Total Agriculture	995	(493)	–	1 488
Mining RSA	105	(112)	–	217
Mining International	182	(62)	–	244
Total Mining	287	(174)	–	461
Chemicals	101	(75)	–	176
Umongo Petroleum (discontinued operations)	66	(51)	–	117
Total Chemicals	167	(126)	–	293
Head Office and elimination discontinued	682	(60)	–	742
Head Office and elimination continuing	(179)	(76)	–	(103)
Total	1 952	(929)	–	2 881
Total continuing operations	1 138	(804)	–	1 942
Total discontinued operations	814	(125)	–	939

Statement of financial position

The chief operating decision maker reviews net working capital, net controlled assets and return on net controlled assets (RONCA) as measures of performance and strategic financial positioning. Net working capital is defined as current assets less current liabilities excluding cash, income taxation assets and liabilities, interest-bearing borrowings and overdrafts. Net controlled assets are total assets less income and deferred taxation and non-interest-bearing liabilities and is a measure of the Group's capital invested. Operating profit divided by net controlled assets is used as a measure to assess the returns generated by each operating segment.

Statement of financial position

Rm	Net working capital	Net controlled assets	RONCA %
Year ended 31 March 2022			
Agriculture RSA	**591**	**4 064**	**24.6**
Agriculture International (excluding Zimbabwe)	**607**	**807**	**27.3**
Agriculture International (Zimbabwe)	**227**	**265**	**(48.8)**
Total Agriculture	**1 425**	**5 136**	**21.2**
Mining RSA	**536**	**1 329**	**20.8**
Mining International	**749**	**1 076**	**22.0**
Total Mining	**1 285**	**2 405**	**21.4**
Chemicals RSA	**614**	**921**	**15.4**
Total Chemicals	**614**	**921**	**15.4**
Head Office and elimination	**11**	**95**	**(100.0)**
Total	**3 335**	**8 557**	**18.7**
Year ended 31 March 2021			
Agriculture RSA	316	3 930	8.9
Agriculture International (excluding Zimbabwe)	852	1 114	16.9
Agriculture International (Zimbabwe)	227	258	>100.0
Total Agriculture	1 395	5 302	18.8
Mining RSA	376	1 147	9.2
Mining International	639	991	18.4
Total Mining	1 015	2 138	13.4
Chemicals RSA	567	949	10.6
Umongo Petroleum	235	261	25.3
Total Chemicals	802	1 210	13.8
Head Office and elimination	(157)	596	84.4
Total	3 055	9 246	21.1

Statement of financial position reconciliation

	31 March 2022		31 March 2021	
Rm	**Net working capital**	**Net controlled assets**	Net working capital	Net controlled assets
Property, plant and equipment	**–**	**4 593**	–	4 794
Right-of-use asset	**–**	**227**	–	434
Goodwill and intangible assets	**–**	**278**	–	779
Investments accounted for using equity accounting	**–**	**23**	–	24
Inventories	**4 175**	**4 175**	3 246	3 246
Trade and other receivables	**3 744**	**3 744**	3 489	3 489
Contract liabilities	**(347)**	**(347)**	(300)	(300)
Trade and other payables	**(4 180)**	**(4 180)**	(3 372)	(3 372)
Derivative financial instruments (net)	**(57)**	**(57)**	(8)	(8)
Cash in countries with liquidity constraints	**–**	**80**	–	139
Assets held for sale	**–**	**21**	–	21
Total	**3 335**	**8 557**	3 055	9 246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION

This section sets out IFRS as the framework under which these financial statements are prepared.

Omnia Holdings Limited (the company) and its subsidiaries (together the Group) produce and distribute granular, liquid and speciality fertilizers, offer a broad spectrum of products and services to the mining industry, and distribute speciality, functional and effect chemicals and polymers. The Group has operations in South Africa, other countries in Africa, North America, Australia, Brazil and China. The company has its primary and only listing on the JSE Limited.

2.1 BASIS OF PREPARATION

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

All policies stated in the consolidated financial statements relate to the Group and the companies within the Group. The consolidated financial statements for the year ended 31 March 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, to the extent applicable, the JSE Listings Requirements and the Companies Act of South Africa.

The consolidated financial statements have been prepared under the historical-cost convention except for derivative financial instruments measured at fair value and the remaining investment held in Umongo at fair value.

Assets and liabilities are classified as either current or non-current on the statement of financial position. Assets are classified as current when they are expected to be realised within 12 months after the reporting date or when held primarily for being traded or have no terms of repayment. All other assets are classified as non-current. Liabilities for which the Group has an unconditional right to defer settlement for at least 12 months from the reporting date are classified as non-current.

Expenses in the statement of comprehensive income are presented by function with additional disclosure regarding the nature of expenses such as depreciation, amortisation and employee benefits provided in the notes.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may differ from these estimates. Areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the Group's consolidated financial statements are disclosed in the relevant note.

2.2 OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The overview provides a snapshot of the material events and transactions of the Group.

Following the successful stabilisation of the Group's financial position in the financial year ending 31 March 2020, the past two years have focused on the fix and growth phase of the Group's turnaround strategy. Despite challenging economic conditions, operational performance tracked ahead of management's expectations throughout the year.

Umongo Petroleum Proprietary Limited formed part of Omnia's Chemicals division since Omnia's wholly owned subsidiary, Omnia Group Proprietary Limited (Omnia Group), acquired a 90% shareholding therein during 2017 for a cash consideration of R637 million. The remaining shareholding is held by Autumn Storm Investments 294 Proprietary Limited (Autumn Storm). While Omnia had not marketed its stake in Umongo actively, the business was identified as non-core to Omnia's stated strategy.

Omnia entered into a Subscription and Repurchase Agreement (SRA) with Azelis, S.A (Orkila) on 21 October 2021. On completion of the transaction Omnia Group and Autumn Storm (collectively the Sellers) have disposed of 81% and 9% respectively of their interests in Umongo.

In terms of an Option Agreement, the Sellers have granted Umongo a call option (the Call Option) to purchase the Option Shares, for a period of two years from the date of closing of the SRA (the Call Period). The price payable by Umongo for Omnia Group's Option Shares, if the Call Option is exercised within 18 months from the date of closing of the SRA, will be in a range of between R86 million and R93 million. If the Call Option is exercised after 18 months from the date of closing of the SRA, the price payable by Umongo for Omnia Group's Option Shares will be in a range of between R86 million and R105 million. The amount payable within the respective ranges will be dependent on Umongo's financial performance in the 12 months preceding the month in which the Call Option is exercised.

Umongo has granted the Sellers a put option (the Put Option) to sell the Option Shares to Umongo, which is exercisable at the end of the Call Period. The price payable by Umongo for Omnia Group's Option Shares if the Put Option is exercised will be calculated on the same basis as if the Call Option was exercised after 18 months from the date of closing of the SRA.

All suspensive conditions relating to the subscription and repurchase agreement were met by 31 January 2022, the effective date of the disposal. Umongo is consolidated into the Group's results until the effective date, is reported as Umongo Petroleum and accounted for as a discontinued operation in the statement of comprehensive income. Umongo is excluded from the current year numbers presented and incorporated as a single line item.

The consideration paid to Omnia in terms of the SRA (which excludes the proceeds of the option agreement) was R958 million.

The Group remains in a net cash positive position at year end, supported by disciplined working capital management, strong operational performance and the receipt of the Umongo Petroleum subscription and repurchase agreement proceeds offset by dividends paid. The board is carefully considering further capital allocation decisions to ensure that they are value accretive, align with Omnia's purpose and offer the right diversification.

Notwithstanding the continued challenging economic environment, the Group operating profit from continuing operations increased to R1 597 million (2021: R1 138 million). The Group generated a total net profit after tax for the year of R1 353 million for the year ended 31 March 2022 (2021: R1 383 million).

2.4 GOING CONCERN

The increased focus on cash generation and cash management, improved working capital and the reduction of debt levels, has strengthened the liquidity and financial position of the Group.

In determining the appropriate basis of preparation of the annual financial statements, the directors are required to consider whether the Group can continue to operate for the foreseeable future. At the date of approving these annual financial statements, the directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. This assessment is supported by the Group's increased net cash position. The directors conclude that the going concern assumption is an appropriate basis of preparation for these annual financial statements.

2.5 FUNCTIONAL AND PRESENTATION CURRENCY

The Group consolidates all local and foreign subsidiaries. This note details how foreign subsidiaries of the Group are translated for presentation in these annual financial statements.

ACCOUNTING POLICY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Rands (rounded to R million), which is the Group's presentation currency and the company's functional and presentation currency.

Financial results and financial positions of foreign subsidiaries (which does not have the currency of a hyperinflationary economy) are translated to the presentation currency as follows:

- Assets and liabilities presented are translated at the closing rate at the reporting date
- Income and expenses are translated at average exchange rates during the reporting period
- All resulting exchange differences are recognised via other comprehensive income as a separate component of equity in the form of a foreign currency translation reserve

Refer to note 23 for the accounting policy detailing the translation of the financial results and financial position of the Group's hyperinflationary subsidiary.

On consolidation, exchange rate differences arising from the translation of intercompany loans designated as part of the net investment in a foreign operation are reclassified from profit or loss to other comprehensive income. Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Accumulated exchange differences arising from translation of foreign operations that relate to non-controlling interests are allocated to and recognised as part of non-controlling interests in the consolidated statement of financial position.

Significant estimates and judgements

The Group classifies a loan to its Zimbabwean subsidiary of R133 million (USD9.1 million) (2021: R133 million (USD9.1 million)) as a net investment in a foreign operation as settlement on this loan is neither planned nor likely to occur in the foreseeable future. While the Zimbabwean operations remain a strategic investment for the Group, the volatile economic climate of the country requires management to be agile and respond swiftly to significant changes. The Group, therefore, reviews the classification as a net investment in a foreign operation at least annually or when significant economic changes occur in the country resulting in changes to the business model. This reassessment could result in the loan being reclassified as a loan receivable in the future. In the current year, R81 million (2021: R40 million) foreign exchange losses were reclassified to other comprehensive income on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.6 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 April 2021:

- IFRS 16 *Leases* COVID-19-Related Rent Concessions Amendment
  Amendment providing lessees with an exemption from assessing whether a COVID-19-related rent concession (a rent concession that reduces lease payments due on or before June 2022) is a lease modification.

- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IRS 4 *Insurance Contracts* and IFRS 16 *Leases* – interest rate benchmark (IBOR) reform (Phase 2).

The amendment requirements relating to changes in the basis for determining contractual cash flow of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

2.7 STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT EFFECTIVE

The following new standards, interpretations and amendments were issued but not yet effective:

- Amendment to IFRS 3 *Business Combinations*
  The amendment updates the conceptual framework for financial reporting without changing the accounting requirements for business combinations

- Amendment to IAS 1 *Presentation of Financial Statements* on Classification of Liabilities as Current or Non-current
  Amendment clarifies how to classify debt and other liabilities as current or non-current

- Amendment to IAS 1 *Presentation of Financial Statements* on Disclosure of Accounting Policies
  Amendment requires disclosure of material accounting policy information rather than the significant accounting policies

- Amendment to IAS 12 *Income taxes*
  This amendment is effective from 1 April 2023 and requires, inter alia, the separate disclosure of deferred tax on right of use assets and lease liabilities instead of recognising the single transaction on a net basis. The amendment will have an impact on the disclosures of right-of-use asset R62 million and right-of-use lease lability of R69 million

- Amendments to IAS 16 *Property, Plant and Equipment* on Proceeds before intended use
  Amendment prohibit an entity from deducting from the cost of a item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts – Cost of Fulfilling a Contract*

The amendment specifies which costs should be included in an entity's assessment whether a contract will be loss-making

- Annual improvements cycle 2018 – 2020
  IFRS 9 *Financial Instruments* has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation

- IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.
- IFRS 17 *Insurance Contracts*
- IFRS 17 *Insurance Contracts* Amendments

One accounting model for all insurance contracts in all jurisdictions that apply IFRS.

The new standards, interpretations and amendments, except as detailed above will not have a material impact on the amounts recognised.

2.8 RESTATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Restatement 1 – Accounting for leases

In prior periods, on the adoption of IFRS16, certain leases were recognised on the statement of financial position that did not meet the recognition criteria of IFRS 16. In addition, another lease was recognised over the incorrect lease term and this has been increased to reflect the correction. As a result the comparatives in the consolidated statement of financial position as at 31 March 2021 and 31 March 2020 have been restated.

Restatement 2 – Disaggregation of provisions from trade and other payables

Provisions have, in the past, been included in trade and other payables in the consolidated statement of financial position, and itemised in the relevant trade and other payables notes. Provisions are now separately disclosed in the consolidated statement of financial position. The comparative disclosures as at 31 March 2021 and 31 March 2020 have been reclassified accordingly and presented as a separate line item.

The net income statement effect of the restatement was immaterial and consequently no income statement restatement was considered necessary. Therefore no adjustments to any of the following results and key metrics previously reported by the Group were required:

- Consolidated profit before and after tax
- Total earnings per share (basic and diluted)
- Total headline earnings per share (basic and diluted)
- Net asset value of the Group or net asset value per share

The impact of the restatements are detailed below:

Statement of financial position

Rm	As reported 2021	Restatement 1	Restatement 2	As restated 31 March 2021	As reported 2020	Restatement 1	Restatement 2	As restated 31 March 2020
ASSETS								
Non-current assets	6 162			6 048	8 660			8 532
Right-of-use assets	434	(114)	–	320	572	(128)	–	444
Total assets	14 853	(114)	–	14 739	18 088	(128)	–	17 960
Liabilities								
Non-current liabilities	781			730	2 881			2 820
Lease liabilities	329	(51)		278	427	(61)		366
Provisions	–		48	48	–		59	59
Trade and other payables	48		(48)	–	59		(59)	–
Current liabilities	4 333			4 270	5 472			5 405
Lease liabilities	158	(63)		95	186	(67)		119
Provisions	–		34	34	–		20	20
Trade and other payables	3 407		(34)	3 373	3 492		(20)	3 472
Total liabilities	5 114	(114)	–	5 000	8 353	(128)	–	8 225
Total equity and liabilities	14 853	(114)	–	14 739	18 088	(128)	–	17 960

Statement of cash flows

Rm	As reported 2021	Restatement 1	As restated 31 March 2021	As reported 2020	Restatement 1	As restated 31 March 2020
Net cash inflow from operating activities	2 180	(73)	2 107	1 692	(68)	1 624
Cash generated from operations	2 585	(73)	2 512	2 226	(68)	2 158
Net cash (outflow)/inflow from financing activities	(2 770)	73	(2 697)	1 404	68	1 472
Repayment of lease liabilities	(216)	73	(143)	(263)	68	(195)

Restatement 3 – Discontinued operations disclosure as mandated by IFRS 5

The disposal by the Group of its Umongo business (refer to note 2.9) has been treated as a discontinued operation in FY2022 requiring certain changes to amounts previously reported in the FY2021 consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.8 RESTATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 continued

The impact of the restatement is detailed below:

Statement of comprehensive income

Rm	As reported 31 March 2021	Restatement	As restated 31 March 2021
Continuing operations			
Revenue	17 790	(1 354)	16 436
Cost of sales	(13 982)	1 192	(12 790)
Gross profit	3 808	(162)	3 646
Distribution expenses	(1 394)	–	(1 394)
Administrative expenses	(1 270)	69	(1 201)
Other operating income	202	–	202
Other operating expenses	(236)	27	(209)
Impairment losses on financial assets	(83)	(1)	(84)
Share of net profit of investments: equity method	2	–	2
Operating profit before items below	1 029	(67)	962
Net impact of hyperinflation and foreign exchange losses	176	–	176
Net foreign exchange losses in Zimbabwe operations	(320)	–	(320)
Monetary adjustment for hyperinflation – Zimbabwe	496	–	496
Operating profit	1 205	(67)	1 138
Finance income	117	(8)	109
Finance expense	(376)	3	(373)
Profit before income tax	946	(72)	874
Income tax expense	(288)	21	(267)
Profit for the year from continuing operations	658	(51)	607
Discontinued operations			
Profit for the year from discontinued operations	725	51	776
Profit for the year	1 383		1 383
Other comprehensive income			
Continuing operations			
Items that may be reclassified to profit or loss (net of tax)			
Currency translation differences – Zimbabwe	(290)	–	(290)
Currency translation differences – excluding Zimbabwe	(953)	–	(953)
Other comprehensive loss for the year from continuing operations	(1 243)	–	(1 243)
Discontinued operations			
Other comprehensive loss for the year from discontinued operations	(1)	–	(1)
Other comprehensive loss for the year from discontinued operations	(1)	–	(1)
Total comprehensive loss from continuing operations	(585)	(51)	(636)
Total comprehensive income from discontinued operations	724	51	775
Total comprehensive income for the year	139	–	139

2.9 DISCONTINUED OPERATIONS

Disposal of Umongo

On 29 April 2021 the board of directors approved management's proposal to exit the Umongo Petroleum business, and approved for management to proceed with negotiations on an unsolicited offer received from Azelis, an international speciality chemicals distributor, which through its subsidiary Orkila South Africa (Pty) Ltd, a speciality chemicals and food ingredients distributor, would subscribe to shares in Umongo Petroleum (Pty) Ltd giving it control over the Umongo Petroleum companies. The associated assets and liabilities of the Umongo Petroleum were classified as held for sale, effective from 29 April 2021. The Umongo Petroleum is reported in the current period as a discontinued operation.

The disposal became effective on 31 January 2022 after all suspensive conditions were met and both parties concluded a closing agreement.

The carrying amount of assets and liabilities at the date of disposal of Umongo Petroleum was as follows:

Rm	31 January 2022
ASSETS	
Property, plant and equipment	**11**
Right-of-use assets	**9**
Goodwill and intangible assets	**381**
Deferred income tax	**2**
Inventories	**394**
Trade and other receivables	**268**
Income tax	**4**
Cash and cash equivalents	**39**
Carrying value of assets	**1 108**
LIABILITIES	
Deferred income tax	**82**
Lease liabilities	**1**
Trade and other payables	**266**
Carrying value of liabilities	**349**
Net assets	**759**
Non-controlling interest	**–**
Net asset sold	**759**

The net cash flow on disposal of Umongo Petroleum has been determined as follows:

Rm	2022
Consideration received on disposal of Umongo Petroleum	**997**
Less: Cash disposed	**(39)**
Net cash flow	**958**

The consolidated profit on disposal of Umongo Petroleum has been determined as follows:

Rm	2022
Consideration received on disposal of Umongo Petroleum	**997**
Carrying amount of net assets sold	**(759)**
Profit on disposal	**238**
Direct expenses associated with the disposal	**(20)**
Fair value of retained investment in Umongo	**86**
Profit on disposal before tax	**304**
Income tax (Capital Gains Tax)	**(45)**
Profit on disposal of Umongo Petroleum	**259**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.9 DISCONTINUED OPERATIONS continued

UMONGO PETROLEUM AFTER DISCONTINUED OPERATIONS

The Group results for 31 March 2022 include the results of Umongo Group up to 31 January 2022, the effective date of the disposal. The results of Umongo Group have been presented as a discontinued operation. The financial performance and cash flow information of Umongo Group for the period ended 31 January 2022 is presented as follows:

Rm	2022	2021
Revenue	**1 340**	1 354
Cost of sales	**(1 215)**	(1 192)
Gross profit	**125**	162
Administrative expenses	**(104)**	(69)
Other operating income	**1**	–
Other operating expenses	**–**	(27)
Impairment (losses)/reversals on financial assets	**(2)**	1
Operating profit	**20**	67
Finance income	**3**	8
Finance expense	**(2)**	(3)
Profit before income tax	**21**	72
Income tax expense	**(20)**	(21)
Profit for the year from discontinued operations	**1**	51
Profit on disposal after income tax	**259**	–
Profit for the year from discontinued operations	**260**	51
Total comprehensive income from discontinued operations	**260**	51

Cash flows from discontinued operations

	2022	2021
Net cash (outflows)/inflows from operating activities	**(180)**	174
Net cash outflows from investing activities	**–**	(4)
Net cash outflows from financing activities	**(11)**	(31)
Net (decrease)/increase in cash and cash equivalents of discontinued operations	**(191)**	139

Disposal of Oro Agri

On 22 June 2020 the Group announced the receipt of a non-binding indicative offer for the Oro Agri business.

Omnia entered into an agreement with European Crops Products 2 S.A.R.L (ECP) on 19 October 2020 to dispose of its investment in Oro Agri for USD146.9 million.

All suspensive conditions relating to the sale were met on 7 January 2021, the effective date of the disposal. The Oro Agri group is consolidated into the Group's results until the effective date, is reported as Agriculture Biological and accounted for as a discontinued operation in the statement of comprehensive income. Oro Agri is excluded in the current year numbers presented and incorporated as a single line item. This also applies to the comparative numbers to keep the readers of the financial statements informed about those operations which the entity has discontinued, and those operations that the entity is continuing with to generate future profits and cash flows.

DETAILS ON THE DISPOSAL OF ORO AGRI

The acquisition of Oro Agri in 2018 was part of a strategic undertaking to realise synergies from being integrated into Omnia's operating model. However, Oro Agri's full potential was not realised as Omnia's debt levels prevented the funding and full integration of Oro Agri. Omnia has subsequently stabilised its debt levels but still requires careful capital allocation of available funds and does not have the capacity to fully fund Oro Agri's future growth plans.

The carrying amount of assets and liabilities at the date of disposal (7 January 2021) were as follows:

Rm	7 January 2021
ASSETS	
Property, plant and equipment	199
Right-of-use assets	18
Goodwill and intangible assets	1 369
Deferred income tax	3
Inventories	163
Trade and other receivables	272
Income tax	8
Cash and cash equivalents	60
Carrying value of assets	2 092
LIABILITIES	
Deferred income tax	215
Interest-bearing borrowings	44
Lease liabilities	14
Trade and other payables	137
Carrying value of liabilities	410
Net assets	1 682
Non-controlling interest	(104)
Net asset sold	1 578

The net cash flow on disposal of Oro Agri has been determined as follows:

Rm	2021
Consideration received on disposal of Oro Agri	2 263
Less: Cash disposed	(60)
Net cash flow	2 203

The consolidated profit on disposal of Oro Agri has been determined as follows:

Rm	2021
Consideration received on disposal of Oro Agri	2 263
Carrying amount of net assets sold	(1 578)
Profit on disposal before reclassification of foreign currency translation reserve	685
Direct expenses associated with the disposal	(61)
Reclassification of foreign currency translation reserve	163
Profit on disposal before tax	787
Income tax	(32)
Profit on disposal of Oro Agri	755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.9 DISCONTINUED OPERATIONS continued

ORO AGRI AFTER DISCONTINUED OPERATIONS

The Group results for 31 March 2021 include the results of Oro Agri up to 7 January 2021, the effective date of the disposal. The results of Oro Agri have been presented as a discontinued operation. The financial performance and cash flow information of Oro Agri for the period ended 7 January 2021 is presented as follows:

Rm	2021
Revenue	457
Cost of sales	(134)
Gross profit	323
Distribution expenses	(162)
Administrative expenses	(170)
Other operating income	31
Other operating expenses	(66)
Impairment losses on financial assets	5
Operating loss	(39)
Finance income	1
Finance expense	(4)
Loss before income tax	(42)
Income tax	12
Loss for the year from discontinued operations	(30)
Profit on disposal after income tax	755
Profit for the year from discontinued operations	725
Other comprehensive income	
Items that may be reclassified to profit or loss (net of tax)	
Currency translation differences	(1)
Other comprehensive income for the year from discontinued operations	(1)
Total comprehensive income from discontinued operations	724

Cash flows from discontinued operations

Rm	2021
Net cash inflows from operating activities	165
Net cash outflows from investing activities	(33)
Net cash inflows from financing activities	7
Net increase in cash and cash equivalents of discontinued operations	139

2.10 FINANCIAL RISK MANAGEMENT

This section details the Group's management of financial risk and how these risk management decisions have impacted the performance of the Group.

ACCOUNTING POLICY

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Management determines the classification of its financial assets and liabilities on initial recognition. The Group classifies its financial assets (except derivative financial assets) at amortised cost. The classification depends on the business model and whether the Group's business model is to hold these receivables for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount. Impairment of financial assets are recognised in terms of the expected credit loss model and disclosed as impairment losses on financial assets in profit or loss.

The Group classifies its financial liabilities (except derivative financial liabilities) at amortised cost.

Financial assets and liabilities at amortised cost are initially recognised at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method. Interest calculated at the effective interest rate for all financial assets and liabilities at amortised cost is recognised as finance income or finance costs, respectively, in profit or loss.

Derivative financial assets and liabilities are classified at fair value through profit or loss and recognised at fair value. These assets and liabilities are subsequently recognised at fair value. Gains or losses arising from changes in the fair value of derivatives are recognised in other operating income or other operating expenses in profit or loss in the period in which they arise, including transaction costs. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial assets are derecognised when the respective contractual right to cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and a corresponding liability.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges a financial liability with an existing lender for another financial liability with substantially different terms, such an exchange is accounted for as an extinguishment of debt of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for the substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid, net of any fees received and discounted using the original effective interest rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after the modification is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.10 FINANCIAL RISK MANAGEMENT continued

Financial instruments by category		**2022**		Restated[1] 2021	
Rm	Note	**Amortised cost**	**Fair value through profit or loss**	Amortised cost	Fair value through profit or loss
Assets					
Derivatives – foreign currency forwards and options		**–**	**5**	–	6
Trade and other receivables	10	**3 241**	**–**	3 010	–
Cash and cash equivalents[2]	11.1	**2 405**	**–**	1 833	–
Restricted cash[2]	11.2	**–**	**–**	94	–
Investment held at fair value through profit or loss[3]	7	**–**	**4**	–	–
Remaining investment in Umongo[4]	7	**–**	**86**	–	–
Liabilities					
Interest-bearing borrowings	16	**(52)**	**–**	(66)	–
Derivatives – foreign currency forwards and options		**–**	**(62)**	–	(14)
Trade and other payables	18	**(3 665)**	**–**	(3 078)	–
Trade payables (supply chain financing)	18	**(135)**	**–**	–	–
Contract liabilities	20	**(347)**	**–**	(300)	–
Lease liabilities	17	**(270)**	**–**	(373)	–
Bank overdraft	11.1	**(1)**	**–**	–	–

The carrying value of financial assets and liabilities at amortised cost approximates the fair value, due to short maturity of those instruments.

1 Refer to note 2.8 for further details.

2 While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the expected loss based on these balances is considered to be immaterial.

3 The investment held at fair value through profit or loss is classified as a level 3 of the fair value hierarchy. The fair value of the asset are based on the underlying net asset value of the assets held in unit trust held by reputable financial institutions.

4 The remaining investment in Umongo is classified as a level 3 instrument on the fair value hierarchy and is based on the contractually agreed selling price between a willing buyer and seller. The price as per the agreement ranges from R86 million to R93 million based on the overall performance of Umongo Petroleum. Management assessed that the minimum price of R86 million is the appropriate fair value based on the Umongo Petroleum historical and expected future performance over the next 18 months.

FAIR VALUE MEASUREMENT

The Group measures the fair value of derivative instruments using valuation techniques which maximise the use of observable market data and do not rely on entity-specific estimates. Specific valuation techniques used to value derivative instruments include:

- Foreign currency forward exchange contracts – fair value is determined using discounted cash flows. The instrument is revalued to the observable exchange rate at the end of the reporting period including the applicable forward points, discounted at a rate that reflects the credit risk of various counterparties
- Foreign currency option contracts – fair value is determined using the Black Scholes option pricing method. The variables considered included the observable foreign exchange rate, the interest rate differential, volatilities and the time value of money at reporting date

As all significant inputs required to fair value derivative instruments are observable market date and therefore are included in level 2 of fair value hierarchy.

Rm	**2022 Level 2**	2021 Level 2
Derivatives – foreign currency forwards and foreign currency options	**(57)**	(8)
	(57)	(8)

The carrying value of financial assets and liabilities at amortised cost approximates the fair value, due to the short-term nature thereof.

DERIVATIVES

The Group has the following derivative financial instruments in the following line items in the statement of financial position:

Rm	2022	2021
Derivative financial instruments – assets		
Foreign currency forwards and options	**5**	6
	5	6
Derivative financial instruments – liabilities		
Foreign currency forwards and options (current)	**(62)**	(14)
	(62)	(14)

Derivatives are used to hedge transactional and economic foreign exchange risk and not as speculative investments to earn a profit.

The Group does not apply hedge accounting to these derivative instruments due to the volume of transactions and timing of receipt of import documentation. All foreign exchange gains and losses are therefore reported through profit or loss.

The Group does not hold any forward currency contracts or option instruments with maturities longer than 12 months.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and credit risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as forward exchange contracts and option instruments to mitigate against certain risk exposures.

Risk management is monitored centrally under policies approved by the board of directors. Group treasury identifies, evaluates and hedges foreign currency and interest rate risk in close cooperation with the Group's operating units. The Group's audit committee oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Group. Group treasury provides quarterly updates to the audit committee around risk mitigation.

CURRENCY RISK

Foreign currency risk is the risk of loss of shareholder value due to adverse fluctuations in the rate of exchange which causes a reduction in the profitability or cash flow of the Group. The nature of Omnia's business model is such that it attracts foreign exchange risk because of the ownership of foreign-based subsidiaries whose operating and functional currencies are not Rand. In addition, Omnia's main trading assets are predominantly sold in Rand but are priced, sourced and traded internationally in currencies other than Rand.

Treasury operates predominantly on a centralised basis as an internal banker and provides risk management advice to its divisions and subsidiaries. The Group differentiates between translation, transactional and economic foreign exchange risk. Translation risk exposure is not currently hedged. Refer to note 2.5 for the accounting policy for the translation of foreign-based subsidiaries.

With regards to transactional foreign exchange risk, a natural hedging relationship exists between export proceeds received and foreign currency imports, with imports far exceeding exports. The Group utilises forward exchange contracts to hedge the delta and intercompany borrowing activities, where applicable. The consolidated and residual position, if any, is hedged with the market according to approved policies and strategies at a group level.

Economic foreign exchange risk arises due to underlying foreign currency linked transactions. The exposure arises due to the long lead time between the procurement of inventory (foreign currency linked) and the sale of the inventory, with the selling price of the inventory linked to a foreign currency. The Group uses a mixture of forward exchange contracts and option-related instruments to mitigate against a strengthening in the Rand which may have an adverse impact on the gross profit margin.

During the current financial year, the macro-economic events globally continued to put pressure on emerging market currencies and in particular the Rand. The Rand had strengthened to pre-COVID-19 levels and opened the financial year at levels approximately R14.80 to the US Dollar. Volatility continued throughout the financial year, with the Rand moving within a range of approximately R1.50 to the US Dollar from the opening exchange rate. Natural hedging was performed as far as possible, with at least 80% of open import exposure being hedged with forward exchange contracts or naturally hedged based on forecast export proceeds. As a result, the Group incurred a minimal realised exchange rate loss for the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.10 FINANCIAL RISK MANAGEMENT continued

CURRENCY RISK continued

The Group entered into a variety of option instruments and forward exchange contracts to mitigate against any economic foreign exchange risk as a result of the strengthening of the Rand. Some contracts were restructured during the financial year when the Rand weakened sharply towards the end of the calendar year due to the discovery of the Omicron variant which rattled global markets. The Group is satisfied with the outcome of the foreign exchange risk strategy implemented.

Sufficient facilities exist with the banks to implement these hedging strategies.

The Group's exposure to currency risk relates to financial assets and liabilities denominated in foreign currency and subsidiaries with a functional currency other than Rand. The Group is exposed mainly to the US Dollar, Australian Dollar, Zambian Kwacha and Zimbabwean Dollar.

The sensitivity of these exposures based on a 10% weakening or strengthening of the Rand is as follows:

	2022		2021	
Rm	**–10%**	**+10%**	–10%	+10%
Impact on operating profit				
USD Dollar	**127**	**(127)**	(10)	10
Australian Dollar	**(10)**	**10**	(4)	4
Zambian Kwacha	**(26)**	**26**	–	–
Zimbabwean Dollar	**19**	**(19)**	1	(1)
Other	**(12)**	**12**	2	(2)

INTEREST RATE RISK

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The Group is also exposed to variable fluctuations in short-term borrowings and cash and cash equivalents.

The term loans were settled during the prior financial year, and as a result the interest rate swaps were settled at a cost of R104 million which represented the fair value of the interest rate swaps at the time of settlement, including applicable direct costs. The interest rate swaps were found to be effective during the prior financial year, until the earlier of repayment of the term loans or the cancellation of the interest rate swaps. At this stage hedge accounting was discontinued. Fair value adjustments recorded in other comprehensive income were released to the income statement and recognised in finance expenses (refer to note 25). Hedge accounting was discontinued due to the timing of the repayment of the term loans and the cancellation of the interest rate swaps. The term loans were settled at various times during the prior financial year.

The Group released R67 million from other comprehensive income during the prior financial year (note 25). Fair value adjustments of R37 million were recognised on the interest rate swaps post the discontinuance of hedge accounting (note 22). The cost associated with the cancellation of the interest rate swaps was significant due to the global interest rate cuts which subsequently resulted in a decline in the South African yield curve. Refer to note 14 on the movement in the cash flow hedge reserve as a result of the discontinuation of hedge accounting.

An increase of 100 basis points (2021: 100 basis points) in the average interest rates for the reporting period would have increased profit or loss by R16 million (2021: increased R10 million). This analysis assumes that all other variables, such as foreign currency rates, remain constant. A decrease of 100 basis points in the interest rates at the reporting date would have had the equal opposite effect.

During the financial year, the majority of the Group's lenders transitioned from LIBOR to the new Secured Overnight Funding Rate (SOFR). Where possible, margins on the foreign currency facilities were adjusted to minimise any negative impact to the Group. The Group does not anticipate the transition to negatively affect the Group in future.

COMMODITY PRICE RISK

Commodity price risk in the Group primarily arises from price fluctuations in the availability and demand of certain agricultural commodities. Unfortunately, there is no over-the-counter market which trade in the agricultural commodities purchased by the Group. Proxy derivative instruments are continually being sourced to find a suitable correlation to manage commodity price risk.

Commodity price risk is managed by continually enhancing knowledge in the market, remaining at the forefront of market trends and forecasts and analysing previous trends. The volatility in commodity prices made it challenging to confidently make projections on commodity prices. Commodity price risk remains a key focus area for the Group.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables, cash and cash equivalents and derivative financial instruments. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history or where sufficient credit insurance exists. Derivative counterparties and cash transactions are limited to high quality financial institutions, and where not possible, cash is kept to a minimum within these accounts. The Group has policies that limit the amount of credit exposure to any one financial institution. The Group has no significant concentration of credit risk due to its wide spread of customers. The spread of customers by type is as follows:

Type of debtor	**2022** **% of revenue**	2021 % revenue
Local commercial farmers and co-ops	**41**	30
International farmers	**14**	14
International agriculture distributors	**–**	3
Local mining companies	**15**	13
International mining companies	**16**	16
Local manufacturers	**14**	24
Total	**100**	100

TRADE RECEIVABLES

Credit risk and customer relationships are managed in several ways within the Group. Where possible, credit insurance is obtained on debtors. The granting of credit is controlled by formal application processes and account limits specific to each business unit. Credit evaluations are performed on the financial position of these debtors, previous experience and other factors such as amounts overdue and credit limits. The Group has extensive and regular dialogue with key customers and strong commercial and business relationships.

The Group adopted the simplified approach for calculating expected credit losses on trade receivables as all trade receivables are transactions with customers per IFRS 15 *Revenue from Contracts with Customers*, and do not contain significant financing. This means that expected credit losses are measured using the lifetime expected credit loss assessment. The Group identifies a significant increase in credit risk when a customer is more than 90 days overdue and determines receivables to be credit impaired when a default event, such as liquidation, deregistration of the customer, actual or expected significant changes in the operating results of the borrower, significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, actual or expected changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligations or significant increase in credit risk in other financial instruments of the same borrower has occurred.

The Group has determined its exposure to credit risk to be influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history, payment history and existence of previous financial difficulties. Impairment losses previously recognised were used as a measure of default of debtors as the Group has a history of insignificant write-offs. In instances where there was no evidence of historical impairment, management used their knowledge of the customer's business to determine the potential impairment. The default assessment was adjusted for credit insurance or other security over the debtor balance. Macro-economic forward-looking information, including the impact of COVID-19, was factored into the expected credit loss percentage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.10 FINANCIAL RISK MANAGEMENT continued

Rm	2022 Outstanding amount	 Loss rate %	 Expected credit loss
Local commercial farmers and co-ops	**1 415**	**6**	**78**
Lifetime ECL – up to three months	1 221	1	11
Lifetime ECL – three to six months	68	15	10
Lifetime ECL – more than six months	72	75	54
Credit impaired-specific debtors	54	6	3
International commercial farmers	**551**	**25**	**138**
Lifetime ECL – up to three months	262	2	6
Lifetime ECL – three to six months[1]	2	9	–
Lifetime ECL – more than six months	157	27	43
Credit impaired – specific debtors	46	11	5
Credit impaired – fully provided	84	100	84
Commodity customers	**60**	**98**	**59**
Lifetime ECL – more than six months[1]	1	–	–
Credit impaired – specific debtors	10	100	10
Credit impaired – fully provided	49	100	49
Local mining companies	**440**	**3**	**15**
Lifetime ECL – up to three months	244	–	1
Lifetime ECL – three to six months	4	62	3
Credit impaired – specific debtors	192	6	11
International mining companies	**487**	**7**	**31**
Lifetime ECL – up to three months	385	7	26
Lifetime ECL – three to six months	19	7	1
Lifetime ECL – more than six months[1]	1	24	–
Credit impaired – specific debtors	81	4	3
Credit impaired – fully provided	1	100	1
Local manufacturers	**586**	**6**	**33**
Lifetime ECL – up to three months	538	–	2
Lifetime ECL – three to six months	9	16	1
Lifetime ECL – more than six months[1]	3	77	3
Credit impaired – specific debtors	31	73	22
Credit impaired – fully provided	5	100	5
Head office and eliminations	**37**	**22**	**12**
Lifetime ECL – up to three months	18	–	–
Lifetime ECL – more than six months	7	–	–
Credit impaired – specific debtors	12	100	12
	3 576	**10**	**366**

Rm	Outstanding amount	2021 Loss rate %	Expected credit loss
Local commercial farmers and co-ops	848	11	90
Lifetime ECL – up to three months	345	–	–
Credit impaired – specific debtors	503	18	90
International commercial farmers	672	24	164
Lifetime ECL – up to three months	367	7	25
Lifetime ECL – three to six months	28	13	4
Lifetime ECL – more than six months	198	28	56
Credit impaired – specific debtors	9	98	9
Credit impaired – fully provided	70	100	70
Commodity customers	66	94	62
Lifetime ECL – up to three months[1]	4	–	–
Credit impaired – specific debtors	60	100	60
Credit impaired – fully provided	2	100	2
Local mining companies	490	21	104
Lifetime ECL – up to three months	394	3	12
Lifetime ECL – three six months[1]	2	–	–
Lifetime ECL – more than six months	3	33	1
Credit impaired – fully provided	91	100	91
International mining companies	283	3	9
Lifetime ECL – up to three months	262	2	6
Lifetime ECL – three to six months	20	10	2
Credit impaired – fully provided	1	100	1
Local manufacturers	842	5	39
Lifetime ECL – up to three months	769	1	4
Lifetime ECL – three to six months	35	3	1
Credit impaired – specific debtors	30	87	26
Credit impaired – fully provided	8	100	8
Head office and eliminations	105	16	17
Lifetime ECL – up to three months[1]	85	–	–
Lifetime ECL – three to six months[1]	3	–	–
Lifetime ECL – more than six months	17	100	17
	3 306	15	485

[1] ECL on these receivables are less than R1 million.

Refer to note 10 for details on Trade and other receivables.

Efforts to recover debtors are ongoing even if the debtor may be classified as credit impaired at 100%. Receivables are written off against the allowance when there is no further expectation of recovery after all efforts to collect the outstanding balance have been exhausted. The Group's customers are largely long-standing and have an established track record when transacting with the Group.

The Group has a history of insignificant write-offs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.10 FINANCIAL RISK MANAGEMENT continued

Emerging farmers receivable

The Group identifies active emerging farmers as farmers who maintain their credit facility and can draw down on that facility. Inactive emerging farmers are identified as farmers who were unable to settle their obligations in the same season and signed an acknowledgement for the outstanding amounts which will be payable between one and three years.

Management estimated the active farmers' probability of default within the next 12 months by considering knowledge of crops and yields of emerging farmer operations and the applicable economic constraints. This default assessment was adjusted for the value of the underlying security, where applicable, and forward-looking information including the impact of COVID-19. There is a significant increase in the credit risk of a farmer who has signed an acknowledgment of debt and a revised payment plan. Management estimated the inactive farmers' probability of default over the expected lifetime by considering knowledge of emerging farmer operations and the applicable economic constraints, adjusted for the value of any underlying security. Advanced legal debt recovery proceedings and specific liquidity issues of inactive farmers were viewed as default events and these emerging farmers were assessed as credit impaired. Macro-economic forward-looking information, including the impact of COVID-19, was factored into the expected credit loss percentage.

	2022		
Rm	**Gross carrying amount**	**Expected loss rate %**	**Loss allowance**
12-month ECL – active emerging farmers	**18**	**–**	**–**
Credit impaired – inactive emerging farmers in advanced legal debt recovery	**88**	**100**	**88**
	106	**83**	**88**

	2021		
Rm	Gross carrying amount	Expected loss rate %	Loss allowance
12-month ECL – active emerging farmers	12	–	–
Lifetime ECL – inactive emerging farmers with signed acknowledgement of debt	10	100	10
Credit impaired – inactive emerging farmers in advanced legal debt recovery	78	100	78
	101	88	88

The ECL allowance increased mainly due to more emerging farmers classified as credit impaired.

The loss rate for the 12-month ECL decreased mainly due to fewer and less risky emerging farmers making up the balance. The effect of excluding credit insurance and other security was not significant. Efforts to recover balances owed are ongoing even if the emerging farmer may be classified as credit impaired and impaired at 100%. Emerging farmer receivables are written off when there is no expectation of recovery.

Refer to note 10 for details on emerging farmers.

Legal settlement receivable

The legal settlement receivable probability of default was estimated based on a lifetime expected credit loss. A loss rate of 6% (2021: 3%) was determined after considering the financial health and performance of the counterparty. Macro-economic forward-looking information, including the impact of COVID-19, was factored into the expected credit loss percentage. During the current year the expected credit loss recognised was the same as the prior year, resulting in an expected credit loss carrying amount of R3 million.

Loss allowance reconciliation for trade receivables

Rm	2022 Trade receivables	Emerging farmers	Legal settlement receivable	Total
Opening loss allowance	**(486)**	**(88)**	**(3)**	**(577)**
Change in loss allowance	**29**	**–**	**–**	**29**
Receivables written off	**89**	**–**	**–**	**89**
Effect of foreign currency movement	**5**	**–**	**–**	**5**
Closing loss allowance	**(363)**	**(88)**	**(3)**	**(454)**

Loss allowance reconciliation for trade receivables

Rm	2021 Trade receivable	Emerging farmers	Legal settlement receivable	Total
Opening loss allowance	(471)	(86)	(22)	(579)
Change in loss allowance	(79)	–	(3)	(82)
Change in loss allowance – credit impaired	3	(2)	22	23
Receivables written off	14	–	–	14
Effect of foreign currency movement	47	–	–	47
Closing loss allowance	(486)	(88)	(3)	(577)

MACRO-ECONOMIC INFORMATION

Forward looking information utilised regarding macro-economics is derived from Moody's Analytics being utilised. This incorporates their GCorr macro-economic forecast set by applying three macro-economic forecasts. Baseline, Stronger Near-term Rebound (S1) and Moderate Recession (S3) with forecast sets weighted 40%, 30%, 30% respectively to determine the expected credit loss percentage.

SOVEREIGN RATINGS

The impact of sovereign risk has been considered in the loss allowances calculation. Moody's Investor Services were used for available ratings. For countries not rated by Moody's, the S&P Global or Fitch ratings were utilised and mapped to the equivalent Moody's rating. Where the country is not rated by any major international ratings agencies, the rating was estimated based on risk assessment produced by COFACE or Economist Intelligence Unit.

The Moody's Analytics Impairment Calculation tool was utilised to convert ratings into ECL percentages. The mid-point between the previous and current year's scaler was applied.

For foreign subsidiaries, the impact of the sovereign risk was considered and the related ECL was adjusted to take the risk into consideration.

LIQUIDITY RISK

The Group's liquidity risk management involves maintaining sufficient cash and available funding through borrowing facilities to meet obligations when due. Due to the cyclical and seasonal nature of the underlying businesses, the Group ensures flexibility in funding by maintaining available committed credit lines.

Management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents based on expected cash flows. Cash flow forecasts are compiled by each business unit in accordance with the requirements set by the Group. These requirements are standardised but cater for the different operations carried out by the various business units. In addition, the Group's requirements involve projecting cash flows in major currencies, monitoring the statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt finance covenants.

At 31 March 2022, the Group had access to undrawn facilities of R3.1 billion (2021: R3.4 billion), of which R3.0 billion are committed facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

2. GENERAL INFORMATION continued

2.10 FINANCIAL RISK MANAGEMENT continued

Exposure to liquidity risk

Rm	Total amount	Less than one year	Between one and two years	Between two and five years	Over five years	Discounting
	Contractual undiscounted cash flows 2022					
Non-derivative financial liabilities						
Interest-bearing borrowings	**(52)**	**(6)**	**(45)**	**(2)**	**–**	**1**
Lease liabilities	**(270)**	**(76)**	**(105)**	**(104)**	**(86)**	**101**
Bank overdraft	**(1)**	**(1)**	**–**	**–**		**–**
Trade and other payables	**(4 180)**	**(4 180)**	**–**	**–**		**–**
Contract liabilities	**(347)**	**(347)**	**–**	**–**		**–**
Derivative financial liabilities						
Derivative – foreign currency options	**(62)**	**(62)**	**–**	**–**		**–**
Derivative – foreign currency forwards	**(54)**	**(54)**	**–**	**–**	**–**	**–**
– Outflow	**(1 464)**	**(1 464)**	**–**	**–**	**–**	**–**
– Inflow	**1 410**	**1 410**	**–**	**–**	**–**	**–**
	(4 966)	**(4 726)**	**(150)**	**(106)**	**(86)**	**102**

Rm	Total amount	Less than one year	Between one and two years	Between two and five years	Over five years	Discounting
	2021					
Non-derivative financial liabilities						
Interest-bearing borrowings	(66)	(41)	(22)	(7)	–	4
Lease liabilities	(373)	(226)	(130)	(62)	(98)	143
Trade and other payables	(3 078)	(3 078)	–	–	–	
Contract liabilities	(300)	(300)				
Derivative financial liabilities						
Derivative – commodity swap (net settled)	(1)	(1)	–	–	–	
Gross settled						
Derivative – foreign currency forwards	(13)	(13)	–	–	–	
– Outflow	(959)	(959)	–	–	–	
– Inflow	946	946	–	–	–	
	(3 831)	(3 659)	(153)	(69)	(98)	147

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to continued volatility in global markets, including global supply chain shortages and increasing input commodity prices at the onset of the 2022 financial year, the board took the decision to continue to manage cash conservatively. The Group delivered a strong performance during the current financial year, coupled with the disposal of the Umongo Petroleum business, which resulted in positive cash generation. As a result, the Group has declared an ordinary and special dividend as detailed in note 34. The Group believes it prudent to maintain a strong balance sheet in the near future, as volatility continues globally. Various macro-economic and geopolitical events continue to pose risks for the Group, including supply chain disruptions and high input commodity prices, foreign exchange volatility, local electricity supply issues, inflation concerns worldwide and the Russia-Ukraine conflict. If suitably attractive capital allocation opportunities are not identified, the Group will continue considering returning further cash to shareholders over and above its ordinary dividend.

The Group monitors capital based on net debt over EBITDA (excluding impairment). The Group's target gearing ratio is 1 – 1.5:1 in the long term.

Please refer to note 16 on how the Group complies with debt covenants.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment represents the investment by the Group in tangible assets such as land, warehouses, office blocks, production plants and technological equipment.

ACCOUNTING POLICY

The Group's property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, a proportion of overheads and borrowing costs. Self-constructed assets are carried at cost less any impairment losses.

Assets are depreciated on a straight-line basis over their estimated useful lives to their residual values. Land has an unlimited useful life and is not depreciated. Useful lives are reassessed annually. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets. The expected useful lives are as follows:

Buildings	5 – 50 years
Plant and machinery	3 – 60 years
Furniture, equipment and vehicles	3 – 15 years

The depreciation of self-constructed assets are commenced once the asset is ready for its intended use on a straight-line basis based on their estimated useful lives to their residual values.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use.

Proceeds from sale of property, plant and equipment are recognised when an unconditional contract of sale is exchanged with the purchaser or when title passes. The net gain or loss on sale of property, plant and equipment is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

3. PROPERTY, PLANT AND EQUIPMENT continued

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The remaining useful lives and residual values of property, plant and equipment are a significant estimate and reassessed annually. Management considers the performance of an asset in line with original expectations, market factors relating to each class of asset and the medium-term strategy of the Group to assess whether useful life estimates need to be adjusted.

Rm	**Land and buildings**	**Plant and machinery**	**Furniture, equipment and vehicles**	**Total**
At 31 March 2022				
Cost	**1 039**	**6 325**	**532**	**7 896**
Accumulated depreciation	**(324)**	**(2 566)**	**(387)**	**(3 277)**
Accumulated impairment	**–**	**(26)**	**–**	**(26)**
	715	**3 733**	**145**	**4 593**
Year ended 31 March 2022				
Opening net carrying amount	**731**	**3 905**	**158**	**4 794**
Additions	**23**	**313**	**49**	**385**
Disposals and scrapings	**–**	**(31)**	**(2)**	**(33)**
Depreciation charge	**(47)**	**(425)**	**(49)**	**(521)**
Impairment losses	**(1)**	**(19)**	**(2)**	**(22)**
Disposal of Umongo	**(11)**	**–**	**–**	**(11)**
Effect of foreign currency movement	**20**	**(10)**	**(9)**	**1**
Closing net carrying amount	**715**	**3 733**	**145**	**4 593**

Rm	Land and buildings	Plant and machinery	Furniture, equipment and vehicles	Total
At 31 March 2021				
Cost	1 015	6 143	547	7 705
Accumulated depreciation	(284)	(2 222)	(389)	(2 895)
Accumulated impairment	–	(16)	–	(16)
	731	3 905	158	4 794
Year ended 31 March 2021				
Opening net carrying amount	972	4 166	190	5 328
Additions	23	345	44	412
Disposals and scrapings	(7)	(30)	(2)	(39)
Depreciation charge	(50)	(484)	(53)	(587)
Transfer to asset held for sale	–	(21)	–	(21)
Disposal of Oro Agri	(148)	(48)	(3)	(199)
Effect of foreign currency movement	(59)	(23)	(18)	(100)
Closing net carrying amount	731	3 905	158	4 794

Depreciation expense of R437 million (2021: R465 million) has been charged to cost of sales, R42 million (2021: R73 million) to distribution expenses and R42 million (2021: R39 million) to administrative expenses.

Depreciation charge for discontinued operations for the year amounted to R116 000 (2021: R10 million).

The value of capital work-in-progress included in the categories amounts to R652 million (2021: R501 million).

Rm	2022	2021
Opening balance at 1 April	**501**	472
Additions	**287**	286
Land and buildings	**20**	9
Plant and machinery	**236**	256
Furniture, equipment and vehicles	**31**	21
Transfers to	**(136)**	(257)
Land and buildings	**(12)**	(9)
Plant and machinery	**(107)**	(233)
Furniture, equipment and vehicles	**(17)**	(15)
Closing balance	**652**	501

Committed capital expenditure is as follows:

CAPITAL EXPENDITURE

Rm	2022	2021
Authorised and contracted for	**57**	19
Authorised but not contracted for	**489**	219

Funds to meet these commitments will be provided from available cash resources, cash generated from operations and facilities negotiated.

Property, plant and equipment of R0 million (2021: R3 870 million) is pledged as security for the debt facility package.

4. RIGHT-OF-USE ASSETS

The Group recognises right-of-use assets in terms of IFRS 16 *Leases*, which requires leases to be capitalised.

ACCOUNTING POLICY

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of three to eight years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If management is reasonably certain to exercise a purchase option, the right-of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT equipment and small items of office furniture.

Extension and termination options are included in many property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

4. RIGHT-OF-USE ASSETS continued

Rm	Land and buildings	Plant and machinery	Furniture, equipment and vehicles	Total
At 31 March 2022				
Cost	**375**	**58**	**72**	**505**
Accumulated depreciation	**(177)**	**(47)**	**(54)**	**(278)**
	198	**11**	**18**	**227**
Year ended 31 March 2022				
Opening net carrying amount	**249**	**40**	**31**	**320**
Additions	**39**	**8**	**–**	**47**
Disposals	**(33)**	**(20)**	**–**	**(53)**
Depreciation charge	**(73)**	**(9)**	**(13)**	**(95)**
Disposal of Umongo	**–**	**(9)**	**–**	**(9)**
Effect of foreign currency movement	**16**	**1**	**–**	**17**
Closing net carrying amount	**198**	**11**	**18**	**227**

Rm	Land and buildings	Plant and machinery	Furniture, equipment and vehicles	Total
At 31 March 2021 Restated[1]				
Cost	402	77	72	551
Accumulated depreciation	(153)	(37)	(41)	(231)
	249	40	31	320
Year ended 31 March 2021				
Opening net carrying amount	331	63	50	444
Additions	35	2	2	39
Disposals	(6)	(20)	–	(26)
Depreciation charge	(82)	(22)	(16)	(120)
Disposal of Oro Agri	(8)	(6)	(4)	(18)
Effect of foreign currency movement	(21)	23	(1)	1
Closing net carrying amount	249	40	31	320

Depreciation expense of R39 million (2021: R42 million[1]) has been charged to cost of sales, R30 million (2021: R20 million[1]) to distribution expenses and R24 million (2021: R45 million[1]) to administrative expenses. Depreciation charge for discontinued operations for the year amounted to R2 million (2021: R13 million[1]).

[1] Restated due to a prior year adjustment. Refer to note 2.8.

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill arises when the Group acquires a business where the consideration paid exceeds the fair value of net assets acquired. These acquisitions further resulted in the recognition of patents, trademarks and distribution contracts, brands and customer relationships as intangible assets. Trademarks and patents are also internally generated by the various businesses and the Group purchases software for use in operations.

ACCOUNTING POLICY

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets. Goodwill is measured at cost less accumulated impairment.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Costs of internally generated intangible assets are only capitalised after product trials have been completed and the decision is made to register the product. Where intangible assets are acquired in a business combination, cost represents that fair value at the date of acquisition.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives. Useful lives are reassessed each year. The useful lives of intangible assets are as:

Distribution contracts	10 years
Software	5 – 10 years
Trademarks and patents	5 – 20 years
Customer relationships	5 – 10 years
Brands	15 years

During the prior year the useful lives of software relating to IT systems were reassessed. Based on this reassessment these software items were being amortised over a shorter useful life than originally anticipated which has resulted in an increased amortisation expense in the prior year of R36 million. Assuming the assets are held until the end of their useful lives, amortisation expense in future years in relation to these assets will be increased to the following amounts:

Rm	**2023**	**2024**	**2025**
Increase in amortisation expense	**26**	**24**	**6**

Goodwill is required to be tested annually for impairment and whenever there is an indication for impairment. Intangible assets that are amortised are reviewed for impairment whenever circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the intangible asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an intangible asset's fair value less costs to sell and value-in-use. Impairment losses are recognised in profit or loss.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The remaining useful lives of intangible assets are assessed annually. Management considers cash flows associated with an intangible asset compared to original expectations, market factors relating to each class of intangible asset and the medium-term strategy of the Group to assess whether useful life estimates need to be adjusted. Based on the assessment performed certain assets useful life estimates were adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

5. GOODWILL AND INTANGIBLE ASSETS continued

Rm	Goodwill	Trademarks, patents and distribution contracts	Software	Brands	Customer relationships	Total
At 31 March 2022						
Cost	**333**	**303**	**543**	**–**	**–**	**1 179**
Accumulated amortisation	**–**	**(281)**	**(296)**	**–**	**–**	**(577)**
Accumulated impairment	**(324)**	**–**	**–**	**–**	**–**	**(324)**
	9	**22**	**247**	**–**	**–**	**278**
Year ended 31 March 2022						
Opening net carrying amount	**96**	**291**	**358**	**19**	**15**	**779**
Additions	**–**	**–**	**2**	**–**	**–**	**2**
Disposals	**–**	**–**	**(8)**	**–**	**–**	**(8)**
Amortisation charge	**–**	**(12)**	**(103)**	**–**	**(1)**	**(116)**
Impairment	**–**	**–**	**(7)**	**–**	**–**	**(7)**
Disposal of Umongo	**(87)**	**(257)**	**(3)**	**(19)**	**(14)**	**(380)**
Effect of foreign currency movement	**–**	**–**	**8**	**–**	**–**	**8**
Closing net carrying amount	**9**	**22**	**247**	**–**	**–**	**278**

Rm[1]	Goodwill	Trademarks, patents and distribution contracts	Software	Brands	Customer relationships	Total
At 31 March 2021						
Cost	525	700	580	24	22	1 851
Accumulated amortisation	–	(409)	(222)	(5)	(7)	(643)
Accumulated impairment	(429)	–	–	–	–	(429)
	96	291	358	19	15	779
Year ended 31 March 2021						
Opening net carrying amount	590	1 395	469	108	17	2 579
Additions	–	–	25	–	–	25
Disposals	–	–	(8)	–	–	(8)
Amortisation charge	–	(106)	(106)	(7)	(2)	(221)
Impairment	–	–	–	–	–	–
Disposal of Oro Agri	(429)	(854)	(4)	(82)	–	(1 369)
Effect of foreign currency movement	(65)	(144)	(18)	–	–	(227)
Closing net carrying amount	96	291	358	19	15	779

[1] Disclosure has been restated to correct the categories against which the disposal of Oro Agri was allocated.

The amortisation expense of R112 million (2021: R115 million) is included in other operating expenses in profit or loss.

Amortisation expense for discontinued operations for the year amounted to R4 million (2021: R106 million).

The Group's non-financial assets, other than inventories and deferred tax assets, are assessed for impairment indicators at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is allocated to the Group's cash-generating units that are identified according to operating segments consistent with the prior year. Goodwill represents the cash-generating unit's ability to generate future cash flows which is a direct result of various factors, including the quality of the workforce acquired, possible future synergies and customer and supplier relationships.

A segment-level summary of the goodwill allocation is presented below:

Cash-generating units (Rm)	2022	2021
Agriculture International	**3**	3
Mining International	**6**	6
Umongo Petroleum	**–**	87
Total	**9**	96

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Joint ventures are strategic investments made by the Group and are accounted for using the equity method.

ACCOUNTING POLICY

The Group's investment in joint arrangements are classified as joint ventures based on the Group's contractual rights and obligations. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The carrying amount of equity-accounted investments is tested for impairment when there are indicators that the carrying amount may exceed the recoverable amount. The Group's investment in material joint arrangements are disclosed below:

Name of entity	Country of incorporation	Ownership interest %	Measurement method
Acol Chemical Holdings (Pvt) Limited	Zimbabwe	50	Equity

Acol Chemical Holdings (Pvt) Limited is a major supplier of chemical raw materials and plastic polymers in Zimbabwe.

The amounts recognised in the statement of financial position are as follows:

Rm	2022	2021
At 1 April – Acol Chemical Holdings (Pvt) Limited	**22**	9
Share of profit and movements in other comprehensive income[1]	**–**	13
Effect of foreign currency movement	**(1)**	–
At 31 March – Acol Chemical Holdings (Pvt) Limited	**21**	22
Other equity-accounted investments	**2**	2
	23	24

[1] The majority of the current year profits generated by Acol were due to a forex gain. Due to the uncertainty of this amount realising, management has decided not to include any profit generated by Acol as a share of profits.

The results of Acol Chemicals Holdings (Pvt) Limited disclosed above includes the impact of hyperinflation.

Hyperinflation accounting was applied in accordance with the policy detailed in note 23.

Set out below is the summarised financial information for Acol Chemical Holdings (Pvt) Limited which is accounted for using the equity method.

Rm	2022	2021
Summarised statement of comprehensive income		
Revenue	**468**	399
Profit from operations	**93**	74
Profit for the year	**70**	55
Summarised statement of financial position		
Non-current assets	**1**	3
Current assets	**244**	122
Current liabilities	**(143)**	(81)
Net assets	**102**	44
Interest in joint venture at 50% – carrying value	**22**	22

Income tax expense for the year was R23 million (2021: R14 million). Depreciation expense and interest income and expense were each below R1 million (2021: each below R1 million). Included in the current assets are cash and cash equivalents of R37 million (2021: R45 million), Trade Receivables of R31 million (2021: Rnil) and inventory of R176 million (2021: R76 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Equity investments where the Group has no significant influence is held at fair value through profit and loss.

ACCOUNTING POLICY

The Group holds investments in equity instruments where the Group does not have significant influence and has elected to account for it through profit or loss.

The remaining investment held in Umongo amounts to 9% of Umongo's share capital. As part of the subscription and repurchase agreement to dispose of the Umongo Group both the seller and buyer have options to either put (seller) or call (buyer) for the remaining investment to be transferred to the buyer at an agreed minimum price.

The investment is accounted for at fair value which is equal to the minimum price the buyer needs to pay to take ownership of the remaining investment in Umongo.

Financial assets measured at fair value through profit or loss include the following:

Rm	2022	2021
Investment held in Umongo Petroleum[1]	**86**	–
Investment held in an insurance cell captive	**4**	–
	90	–

[1] Refer to note 2.9 for further details on the disposal of Umongo Petroleum as a subsidiary of the Group.

8. DEFERRED INCOME TAX

The Group's deferred tax balances arise mostly from timing differences on current assets and on assessed losses.

ACCOUNTING POLICY

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised when they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment and provisions and prepayments. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred taxation is calculated on all temporary differences under the balance sheet liability method using a principal tax rate of 27% (2021: 28%) or the tax rate applicable to the relevant foreign country.

Rm	2022	2021
Deferred income tax assets	**216**	77
Deferred income tax liabilities	**(488)**	(379)
Net deferred income tax liabilities	**(272)**	(302)
Gross movement in the deferred income tax assets account:		
Opening balance at the beginning of the year	**77**	66
Current year charge (refer to note 26)	**88**	46
Prior year charge	**40**	(35)
Tax rate adjustment	**(9)**	–
Disposal of business	**(2)**	–
Effect of foreign currency	**2**	–
Other comprehensive income	**20**	–
Closing balance at the end of the year	**216**	77
Gross movement in the deferred income tax liabilities account:		
Opening balance at the beginning of the year	**(379)**	(674)
Disposal of business	**81**	212
Other comprehensive income	**(22)**	(18)
Current year charge (refer to note 26)	**(136)**	(9)
Prior year charge	**(46)**	21
Tax rate adjustment	**17**	–
Effects of foreign currency movement	**(3)**	89
Closing balance at the end of the year	**(488)**	(379)
The deferred tax balance is attributable to the following items:		
Capital allowances	**(717)**	(796)
Right-of-use asset and lease liability	**(7)**	13
Provisions and prepayments	**417**	254
Taxation losses[1]	**37**	296
Intangibles	**(2)**	(82)
Other comprehensive income	**–**	13
	(272)	(302)
Utilisation of the deferred tax		
Deferred tax liabilities		
Deferred tax liability to be realised within 12 months	**(11)**	(165)
Deferred tax liability to be realised after more than 12 months	**(477)**	(214)
	(488)	(379)
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	**125**	96
Deferred tax asset to be recovered after more than 12 months	**91**	(19)
	216	77

[1] Included in deferred tax assets is R37 million (2021: R296 million) relating to assessed losses of R121 million (2021: R1 057 million). Deferred tax assets have not been recognised for assessed losses to the value of R70 million (2021: R110 million). The entities to which the deferred tax assets relate are trading entities. These entities expect to make future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences and, as such, have recognised the deferred tax assets. The deferred tax asset recoverability assessment considers the probability of forecast future taxable income, which may include future tax planning opportunities.

The most significant computed tax loss relates to Omnia Zambia. The deferred tax asset recognised was determined with reference to Omnia Zambia's budget and forecasts. The other computed losses are not individually significant and are expected to be utilised in the short to medium term, based on the forecasts for those entities. These tax losses do not expire.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

9. INVENTORIES

The Group's operations are inventory intensive and exposed to seasonality, depending on planting seasons in the various countries in which it operates.

ACCOUNTING POLICY

Inventory is stated at the lower of cost and net realisable value. Dependent on the production cycle of the inventory, cost is determined on a first-in, first-out (FIFO) or weighted average cost basis and includes transport and handling costs but excludes borrowing costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of production activity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Net realisable value is the estimate of the selling price of inventories in the ordinary course of business, less the cost of completion and applicable variable selling expenses. Management is required to exercise considerable judgement in the determination of this estimate, specifically relating to the forecasting of demand and gross profit margins. Management is also required to exercise significant judgement in estimating the provision for obsolete stock.

The Group allocates overheads from its manufacturing facilities to inventory based on normal production capacity. As production capacity for March 2021 remained at normal levels, allocation of overheads was not impacted.

Rm	**2022**	2021
Raw materials	**1 025**	806
Finished goods	**2 968**	2 223
Consumables	**182**	217
	4 175	3 246
Inventory written down	**44**	51
Inventory recognised as cost of sales	**15 805**	12 456

No inventory is pledged as security for the debt facility package in the current year (2021: R2 211 million).

10. TRADE AND OTHER RECEIVABLES

The Group's exposure to planting seasons, the nature of the agriculture business, and the Group's relationships with its customers all contribute to the significant trade and other receivables. Working capital requirements are closely managed and collection from customers has improved in the current year resulting in a more efficient working capital cycle.

ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost. Emerging farmer loans receivable are loan facilities available to emerging farmers for one season (October to September). Interest is charged at an average rate of 5% and collateral is normally obtained from the emerging farmers.

Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 2.10.

Rm	2022	2021
Trade and other receivables – financial assets		
Net trade receivables (refer to note 2.10)	**3 159**	2 821
Trade receivables	**3 522**	3 306
Less: Expected credit losses	**(363)**	(485)
Net emerging farmers (refer to note 2.10)	**18**	13
Emerging farmers	**106**	101
Less: Expected credit losses	**(88)**	(88)
Legal settlement receivable	**51**	102
Other receivable	**54**	105
Less: Expected credit losses	**(3)**	(3)
Receivables from related parties (refer to note 29)	**13**	1
Amount receivable from Oro Agri	**–**	29
Indemnification receivable	**–**	44
	3 241	3 010
Trade and other receivables – non-financial assets		
Prepaid expenses	**222**	285
Value-added tax receivable	**202**	121
Other receivables	**79**	73
	503	479
Total trade and other receivables	**3 744**	3 489
Less: Non-current portion	**–**	(54)
Emerging farmers and other	**–**	(56)
Expected credit loss	**–**	2
Total current receivables	**3 744**	3 435

The value of the reversal of expected credit losses recognised during the year is R29 million (2021: Loss R84 million). This has been separately disclosed in profit or loss. The carrying value of trade receivables approximate their fair values, due to the short term nature thereof.

The carrying amount of trade receivables is denominated in the following currencies:

Rm	2022	2021
Rand	**2 131**	1 747
US Dollar	**749**	856
Euro	**–**	28
Other	**279**	190
	3 159	2 821

No trade receivables are pledged as security for the debt facility package in the current year (2021: R2 313 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

11. CASH AND CASH EQUIVALENTS

11.1 CASH AND CASH EQUIVALENTS

Cash balances form part of the net interest-bearing borrowings calculation that determines the Group's gearing ratio.

ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposit on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities on the statement of financial position. Amounts disclosed as cash and cash equivalents are readily convertible to known amounts of cash.

Rm	2022	2021
Bank balances and cash	**2 405**	1 833
Bank overdrafts	**(1)**	–
	2 404	1 833

Trapped cash related to cash balances in Angola and Zimbabwe

These territories face severe liquidity constraints and strict central bank regulations. These balances are demand deposits held with the relevant financial institutions and are utilised to settle in-country expenditure.

Rm	2022	2021
	80	46

The carrying amount of bank and cash balances are denominated in the following currencies:

Rm	2022	2021
United States Dollar (USD)	**1 168**	917
South African Rand (ZAR)	**789**	635
Other currencies	**448**	281
	2 405	1 833

The carrying amount of the Group's bank overdrafts are denominated in the following currencies:

Rm	2022	2021
US Dollar	**–**	–
Other currencies	**(1)**	–
	(1)	–

11.2 RESTRICTED CASH

The below provides details of the Group's restricted cash.

ACCOUNTING POLICY

Restricted cash are amounts of cash and cash equivalents which are not available for use by the Group.

In the prior financial year, R94 million was disclosed as restricted cash. Bulk Mining Explosives Burkina Faso Sarl had its bank accounts frozen as a result of a dispute with the customs authority in country. The matter has since been resolved in the Group's favour. There were no other balances recognised as restricted cash in the current financial year.

12. ASSETS HELD FOR SALE

Details of assets held for sale are set out below.

ACCOUNTING POLICY

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

The Group has an unconditional offer to dispose of one of its chemical storages and distribution sites in KZN. The activities from this site were merged into the distribution site in KZN. The transfer of the relevant properties took place shortly after year end.

Rm	**2022**	2021
Storage and distribution site	**21**	21

13. SHARE CAPITAL

Share capital represents the number of ordinary shares issued less shares held by the Group.

ACCOUNTING POLICY

Ordinary shares are classified as equity.

Where the company, its share incentive schemes or its subsidiaries purchase the company's equity share capital, the consideration paid, including any attributable transaction costs are treated as treasury shares until the shares are cancelled or re-issued. The consideration paid is deducted from equity attributable to the company's equity holders. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity attributable to the company's equity holders.

Rm	**2022**	2021
Authorised:		
Share capital		
500 000 000 (2021: 500 000 000) ordinary shares		
Issued and fully paid up:		
Share capital		
169 052 173 (2021: 169 052 173) ordinary shares	**3 534**	3 534

	Ordinary shares		Treasury shares		
The movement in capital is analysed as follows:	Number of shares ‘000	Share capital Rm	Number of shares ‘000	Capital value Rm	Net total Rm
Balance at 31 March 2020	169 052	3 534	(1 335)	(130)	3 404
Shares purchased for employees	–	–	(2 034)	(90)	(90)
Balance at 31 March 2021	169 052	3 534	(3 369)	(220)	3 314
Shares purchased[1]	**–**	**–**	**(2 851)**	**(169)**	**(169)**
Balance at 31 March 2022	**169 052**	**3 534**	**(6 220)**	**(389)**	**3 145**

[1] Shares were purchased in the market for both the performance share plans and broad-based share incentive plan in the current financial year. Refer to note 29 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

14. RESERVES

This section details the respective shareholder stakes in the net assets of the business. Additionally, the management of financial risks which impact performance are detailed here.

ACCOUNTING POLICY

The fair value of share options issued to employees is accounted for in the share-based payment reserve over the vesting period. The share-based payment reserve is adjusted when the entity revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in profit or loss, with a corresponding adjustment to this reserve in equity for equity-settled plans.

The foreign currency translation reserve relates to exchange differences arising on translation of the foreign subsidiaries and joint ventures and is recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

The hedging reserve relates to the cash flow hedge reserve and is used to recognise the effective portion of gains or losses on the interest rate swap that is designated and qualifies as a cash flow hedge. Amounts are subsequently either transferred to finance costs or reclassified to other income/expense as appropriate.

Rm	Share-based payment reserve	Foreign currency translation reserve	Hedging reserve	Total
At 31 March 2020	61	1 597	(47)	1 611
Share-based payment – value of services provided	32	–	–	32
Share-based payment – settlement of Sakhile 2	(61)	–	–	(61)
Transfer to retained earnings				
Revaluation of derivative – interest rate swap	–	–	(1)	(1)
Reclassification from OCI to profit or loss	–	–	67	67
Deferred tax on interest rate swaps	–	–	(19)	(19)
Decrease in foreign currency translation reserve	–	(1 244)	–	(1 244)
Decrease in foreign currency translation reserve – Zimbabwe	–	(290)	–	(290)
Reclassification from OCI to profit or loss	–	(163)	–	(163)
Decrease in foreign currency translation reserve – excluding Zimbabwe	–	(791)	–	(791)
At 31 March 2021	32	353	–	385
Share-based payment – value of services provided	**82**	**–**	**–**	**82**
Increase in foreign currency translation reserve	**–**	**21**	**–**	**21**
Decrease in foreign currency translation reserve – Zimbabwe		**(57)**		**(57)**
Increase in foreign currency translation reserve – excluding Zimbabwe	**–**	**78**	**–**	**78**
At 31 March 2022	**114**	**374**	**–**	**488**

15. NON-CONTROLLING INTEREST

The Group disposed of its investment in Oro Agri in January 2021.

ACCOUNTING POLICY

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively. The Group elected to recognise non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

On 22 June 2020 the Group announced the receipt of a non-binding indicative offer for the Oro Agri business. Omnia entered into an agreement with European Crops Products 2 S.A.R.L (ECP) on 19 October 2020 to dispose of its investment in Oro Agri. All suspensive conditions relating to the sale were met on 7 January 2021, the effective date of the disposal. The Oro Agri group was consolidated into the Group's results until the effective date and is reported as a discontinued operation in the prior year.

The remaining non-controlling interest relates to the joint venture in BME Canada and BME Mozambique.

The amounts recognised in the balance sheet are as follows:

Rm	**2022**	2021
At 1 April	**(1)**	118
Share of losses	**(3)**	–
Effect of foreign currency movement	**–**	(14)
Non-controlling interest	**(4)**	104
Disposal of Oro Agri	**–**	(104)
Other non-controlling interest	**–**	(1)
At 31 March	**(4)**	(1)

	BME Canada		**BME Mozambique**	
Rm	**2022**	2021	**2022**	2021
Total assets	**51**	24	**4**	4
Total liabilities	**(57)**	(23)	**(23)**	(23)
Total equity	**6**	(1)	**19**	19
Distributable equity	**5**	(2)	**20**	23
Non-distributable reserve	**1**	1	**(1)**	(4)
Non-controlling interest	**3**	(1)	**1**	1
Current year charge				
Comprehensive income	**(6)**	(3)	**2**	(1)
Net distributed equity	**(6)**	(3)	**2**	(1)
Non-controlling interest related to equity	**(3)**	(1)	**–**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

16. INTEREST-BEARING BORROWINGS

The Group raised new facilities during the year to be utilised in operations.

ACCOUNTING POLICY

Interest-bearing borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual provisions. Interest-bearing borrowings are subsequently stated at amortised cost using the effective interest rate method.

Rm	2022	2021
Secured		
International entities	**39**	12
Local entities	**13**	17
Unsecured		
Land bank facility for emerging farmers funding	**–**	37
	52	66
Current portion	**(5)**	(41)
Non-current portion	**47**	25

Movement in borrowings:

Rm	2022	2021
At 1 April	**66**	2 534
Repayments of loans (cash flow)	**(41)**	(2 476)
Proceeds from borrowings raised (cash flow)	**27**	12
Instalment sale agreement	**–**	20
Disposal of Oro Agri	**–**	(44)
Effect of foreign currency movement	**–**	20
At 31 March	**52**	66

In August 2021, the Group negotiated a new debt package of R2.4 billion in Rand facilities and USD40 million of offshore facilities in Mauritius. The facilities are distributed between four major South African banks to minimise exposure to one lender. The facilities entered into are as follows:

- Committed 12 months general banking facilities of R1.4 billion
- Committed three-year revolving credit facility of R1 billion
- USD committed 12-month general banking facilities of USD40 million

Interest on the ZAR based general banking facilities are linked to South African Prime, payable monthly.

Interest on the revolving credit facility is linked to South African 3 month JIBAR rate, payable quarterly.

Interest on the US Dollar general banking facilities are currently linked to the reformed benchmark rate, being the SOFR, payable monthly.

The general banking facilities were negotiated on a bilateral basis, secured with only an Omnia Holding parent company guarantee and in the case of the US Dollar facilities an additional guarantee from Omnia Group (Pty) Ltd.

All security held in the Special Purpose Vehicle relating to the FY2020 debt facility package were released at the time of entering into a new debt facility agreements. General notarial bonds over the moveable assets as well as the fixed property mortgage bonds have been cancelled.

The financial covenants in place for the relevant facilities are as follows:

- Net debt: EBITDA from continuing operations – 31 March <2
- Net debt: EBITDA from continuing operations – 30 September <2.5
- Interest cover ratio >4

Net cash/(debt) excludes the trade payables (supply chain financing), refer to note 18 for further information.

The Group has complied with the financial covenants of its borrowing facilities during the year. The financial covenants were calculated as follows:

Rm	
Net debt:EBITDA	0.82
Interest coverage ratio	33.30

Net cash/(debt)

Rm	
Cash and cash equivalents	2 405
Interest-bearing borrowings	(52)
Lease liabilities	(270)
Bank overdraft	(1)
Net cash	2 082

EBITDA

Rm	
Operating profit – continuing operations	1 597
Depreciation – property, plant and equipment	521
Depreciation – right-of-use assets	93
Amortisation	112
Impairment of non-financial assets	29
EBITDA	2 352
Unrealised foreign exchange gains and losses	174
Loss on disposal of property, plant and equipment	5
Adjusted EBITDA from continuing operations	2 531

Net finance costs

Rm	
Finance income	74
Finance expense	(150)
	(76)

17. LEASE LIABILITIES

Lease liabilities are the present value of all future lease payments, including operating leases, capitalised in terms of IFRS 16 *Leases*.

ACCOUNTING POLICY

Lease liabilities are initially measured as the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability

The lease payments are discounted using the interest rate implicit in the lease, that ranges from 3% to 19%.

If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

17. LEASE LIABILITIES continued

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

Rm	2022	Restated[1] 2021
Lease liability balance as at 1 April	**373**	485
– New lease liabilities	**47**	39
– Interest expense	**28**	44
– Lease payments made	**(124)**	(187)
– Disposal/lease cancellations	**(56)**	(14)
– Effect of foreign currency movement	**2**	6
Closing balance	**270**	373
Less: Current portion	**(59)**	(95)
Total non-current lease liabilities	**211**	278

Short-term leases of R20 million (2021: R5 million), low value leases of R17 million (2021: R10 million) and variable lease payments of R10 million (2021: R6 million) were expensed in profit or loss. The total cash outflow for leases during the year was R124 million (2021: R187 million[1]).

Non-current lease liabilities are repayable as follows:

Rm	2022	Restated[1] 2021
2023	**–**	52
2024	**47**	41
2025	**29**	41
2026	**19**	45
2027	**20**	13
2028	**26**	14
Repayable thereafter	**70**	72
	211	278

[1] Refer to note 2.8 for details relating to the restatement.

18. TRADE AND OTHER PAYABLES

Trade and other payables mainly consist of amounts owing to the Group's suppliers, employees and other business partners that have been invoiced or accrued.

ACCOUNTING POLICY

Trade payables are obligations to suppliers for goods or services that have been acquired and are part of the Group's working capital used in the ordinary course of business from suppliers.

Trade payables include balances due to suppliers under supply chain financing arrangements with the bank. Judgement is exercised to determine whether trade payables subject to supply chain financing remains a trade payable or whether it may be necessary to present it separately.

As at 31 March 2022, R135 million of the R869 million balance owed to Omnia suppliers who utilise the supply chain finance arrangement introduced by Omnia during the year, are considered to contain a financing element. This balance has been separately disclosed on the statement of financial position. Indicators which are taken into consideration in this judgement include whether the payment terms in the supply chain financing arrangement exceed the normal payment terms offered by the supplier.

Where the entity has entered into a supply chain financing arrangement, at the point that the debt is factored, Omnia treats it as a non-cash transaction. Therefore these transactions are only reflected in the cash flow statement when there is an outflow of cash from the Omnia group.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave because of services rendered by employees up to the reporting date. A liability for employee benefits in the form of bonus plans is recognised in accrued expenses where there is no realistic alternative but to settle the liability.

Rm	2022	2021
Trade and other payables – financial liabilities		
Trade payables	**2 631**	1 884
Trade payables (supply chain financing)	**135**	–
Accrued expenses	**1 034**	1 143
Deferred consideration	**–**	44
Contingent consideration	**–**	7
	3 800	3 078
Trade and other payables – non-financial liabilities		
Leave pay accrual	**99**	113
Bonus accrual	**172**	124
Employee benefit and share-based payments liabilities	**–**	41
Indirect taxes	**89**	17
Other payables	**20**	–
	380	295
Total trade and other payables	**4 180**	3 373
***Less:* Non-current portion**	**–**	–
Total current payables	**4 180**	3 373
Less: Trade payables (supply chain financing)	**135**	–
Total current payables as per statement of financial position	**4 045**	3 373

The carrying amount of trade payables are denominated in the following currencies:

Rm	2022	2021
Rand	**1 094**	168
US Dollar	**1 582**	1 664
Euro	**20**	43
Other	**70**	9
	2 766	1 884

Included within trade and other payables is R734 million owing to suppliers under a supply chain financing arrangement. The Group entered into a supply chain finance arrangement in order to optimise net working capital and liquidity management. The Group discloses these amounts as trade payables as in substance, the amounts represent a liability to pay for goods, the terms with the supplier have not been modified and the purchases from the supplier form part of the Group's working capital in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

19. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

ACCOUNTING POLICY

The Group estimates provision for environmental restoration as the current cost expected to be incurred in the future. These costs are adjusted for inflation and discounted using a risk-free discount rate to estimate the provision. Similarly, provision for rehabilitation and decommissioning on closure of a plant is estimated as the current cost expected to be incurred in future adjusted for inflation and discounted at the risk-free rate.

The determination of provisions remains a key area of management's judgement as estimating the future cost of obligations is complex with laws and regulations often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations. Where appropriate, management consults with independent experts when estimating these provisions.

The Sasolburg site is owned by the Group and is the main manufacturing site of the Agriculture RSA segment. The Group does not anticipate leaving the site in the short to medium term. The Sasolburg site is located around other large industries which have a historical environmental footprint, particularly contributing to water and atmospheric pollution and fall within the Vaal Triangle Airshed Priority Area. The Group monitors and actively reduces the environmental impact of operations as part of normal operating activities. The cost to rehabilitate the land and water has been estimated and is included in the provision.

The Group leases land from the Royal Bafokeng Nation (RBN) which according to the original lease agreement requires the Group to return the land to its original condition as agricultural land. This agreement is expected to be formalised in the new lease agreement. The rehabilitation of this land is expected to occur over the next 13 years.

Constructive obligations relating to the Group's other, smaller operations have been estimated and are included in the provision.

The following assumptions were used to calculate the provision:
- Costs to remove infrastructure are expected to be less than the proceeds on disposal
- Dams require specific and specialised rehabilitation and have been provided for
- Costs for land rehabilitation and ground water rehabilitation were estimated based on current costs and management judgement
- An inflation rate of 5.9% (2021: 5.5%) per annum was applied to current costs
- A discount rate of 9.69% (2021: 8.5%) was used

Rm	2022	Restated[1] 2021
Provision breakdown		
Rehabilitation provision	**72**	57
Other	**29**	25
	101	82

The provision reconciliation is shown below.

Rm	2022	Restated[1] 2021
At 1 April	**82**	79
Additions	**15**	30
Utilised during the year	**(2)**	(6)
Disposal of stockpile	**–**	(26)
Unwinding of discount	**6**	5
Total provisions	**101**	82
Less: Non-current portion	**(59)**	(48)
Total current provisions	**42**	34

[1] The note has been restated to disaggregate provisions, refer to note 2.8 for further details.

20. CONTRACT LIABILITIES

Contract liabilities mainly consist of amounts received from customers for which the relevant performance obligation has not been satisfied.

Contract liabilities arise when the Group has received consideration from the customer to transfer goods and/or services for which the performance obligations have not yet been satisfied. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligations under the contract.

Rm	**2022**	2021
Contract liabilities		
Opening balance	**300**	477
Revenue recognised in the current year	**(300)**	(477)
Advances from customers	**347**	300
	347	300

21. REVENUE

The Group's revenue comprised mainly the sale of goods to the agriculture, mining and chemicals industries.

ACCOUNTING POLICY

The Group identified its material performance obligations from contracts with customers to be products, transport and services.

Sales of products

The Group manufactures and sells:

- Granular, liquid and speciality fertilizers and AgriBio products and services from its Agriculture division
- Bulk emulsion, blended bulk explosives, blasting agents, accessories and services from its Mining division
- Speciality, functional and effect chemicals, polymers, base oils and additives from its Chemicals division

Sales from these products are recognised when control is transferred to the customer. Transfer of control is dependent on each contract. In some contracts, transfer of control of the product takes place when the product is collected from Group entities while in others it is upon delivery to the customer.

The transaction price for a contract is determined at contract inception and excludes value added tax, other sales related taxes and is reduced for volume-related rebates. Rebates are available to customers in the mining segment and are based on monthly volumes purchased by a customer and are determined, and deducted from revenue, within the month in which the respective sales occur.

Faced with an increasingly competitive environment in the Agriculture division, the Group differentiates its products by offering value-added services to its customers as part of the value proposition to the customer and core to this division's product sales. The value-added services ensure the correct application of the correct product to minimise farming risk, maximise water and nutrient use efficiency and optimise yield. As the value-added service offering and the sale of the product are highly integrated and interdependent, these value-added services are not sold separately or offered with competitors' products and are, therefore, not distinct. The Group has assessed the sale of products and related value-added services as a single performance obligation.

Transport revenue

Transport revenue relating to deliveries of products to customers are assessed to be separate and distinct performance obligations for the Agriculture and Chemicals divisions as customers have the option of choosing either a delivery service or collecting the products themselves. Transport revenue is invoiced separately and recognised when the delivery service has been completed. The delivery of explosives in the Mining division is only permitted to be carried out by a Group-approved and appointed transporter due to safety requirements for the transportation of explosives and is, therefore, not at the discretion of the customer. Revenue from the sale of explosives and related transport services was determined to be integrated, interdependent and, as trucks are significantly modified for the transport of explosives, assessed to be a single performance obligation.

Rendering of services

The Group provides the following services:

- Risk management, laboratory testing, solid analysis systems, resource utilisation systems and expert recommendation reports are the services offered by the Agriculture division to assist farmers to maximise their crop yields
- Specialised blasting, blast management and consulting services are offered by the Mining division to assist mining companies achieve effective blasts and optimise mine plans
- Support in managing the supply of chemicals, technical support and innovative supply chain solutions are provided by the Chemicals division to provide customers with added benefits to assist their growth

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

21. REVENUE continued

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the actual services provided to the customer. While revenue contracts may extend over a period of time, contracts consist of multiple performance obligations over that time and each performance obligation is satisfied at a point in time. Consideration is priced in the contract per performance obligation satisfied and the Group is not required to allocate the transaction price over performance obligations. The Group is not required to disclose the remaining performance obligations of service agreements in its financial statements, as customers are invoiced when actual services are provided, and the consideration is payable when invoiced.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group's service offerings are linked to products sold. Management assesses contracts to determine whether services are a distinct performance obligation by understanding whether products and services are integrated or interdependent. There were no changes to these assessments in the current year.

Revenue for the year per performance obligation is as follows:

Rm	2022	Restated[1] 2021
Products	**20 323**	15 554
Transport	**610**	415
Services	**504**	467
Revenue per performance obligation from continuing operations	**21 437**	16 436

Revenue from all performance obligations are recognised at a point in time. The Group sells to a variety of local and international customers and does not rely on any single customer. As such, the Group does not transact with any single customer for 10% or more of total revenue. Analysis of revenue per performance obligation per segment is as follows:

Rm	Products	Transport	Services	Net revenue
Year ended 31 March 2022				
Agriculture RSA	**8 293**	**463**	**87**	**8 843**
Agriculture International	**2 945**	**3**	**8**	**2 956**
Total Agriculture (continuing operations)	**11 238**	**466**	**95**	**11 799**
Mining RSA	**3 077**	**59**	**189**	**3 325**
Mining International	**3 037**	**85**	**220**	**3 342**
Total Mining	**6 114**	**144**	**409**	**6 667**
Chemicals RSA	**2 971**	**–**	**–**	**2 971**
Total Chemicals	**2 971**	**–**	**–**	**2 971**
Total	**20 323**	**610**	**504**	**21 437**

Rm[1]	Products	Transport	Services	Net revenue
Year ended 31 March 2021				
Agriculture RSA	5 223	253	64	5 540
Agriculture International	2 767	1	9	2 777
Agriculture Trading	30	–	–	30
Total Agriculture (continuing operations)	8 020	254	73	8 347
Mining RSA	2 116	45	158	2 319
Mining International	2 502	116	236	2 854
Total Mining	4 618	161	394	5 173
Chemicals	2 916	–	–	2 916
Total Chemicals	2 916	–	–	2 916
Total	15 554	415	467	16 436

[1] Restated for discontinued operations.

Analysis of revenue per performance obligation per geographical segment:

Rm	Products	Transport	Services	Net revenue
Year ended 31 March 2022				
Agriculture				
– South Africa	**8 196**	**308**	**87**	**8 591**
– Rest of Africa	**2 572**	**157**	**–**	**2 729**
– Rest of the world	**471**	**–**	**8**	**479**
Total Agriculture	**11 239**	**465**	**95**	**11 799**
Mining				
– South Africa	**4 048**	**129**	**206**	**4 383**
– Rest of Africa	**2 010**	**16**	**203**	**2 229**
– Rest of the world	**55**	**–**	**–**	**55**
Total Mining	**6 113**	**145**	**409**	**6 667**
Chemicals				
– South Africa	**2 837**	**–**	**–**	**2 837**
– Rest of Africa	**133**	**–**	**–**	**133**
– Rest of the world	**1**	**–**	**–**	**1**
Total Chemicals	**2 971**	**–**	**–**	**2 971**
Total	**20 323**	**610**	**504**	**21 437**

Rm[1]	Products	Transport	Services	Net revenue
Year ended 31 March 2021				
Agriculture				
– South Africa	5 169	228	59	5 456
– Rest of Africa	2 348	26	5	2 379
– Rest of the world	503	–	9	512
Total Agriculture	8 020	254	73	8 347
Mining				
– South Africa	2 677	92	177	2 946
– Rest of Africa	1 824	69	176	2 069
– Rest of the world	117	–	41	158
Total Mining	4 618	161	394	5 173
Chemicals				
– South Africa	2 770	–	–	2 770
– Rest of Africa	140	–	–	140
– Rest of the world	6	–	–	6
Total Chemicals	2 916	–	–	2 916
Total	15 554	415	467	16 436

[1] Restated for discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

22. OTHER OPERATING INCOME/(EXPENSES)

The Group has significant exposure to foreign exchange risk through transactions in foreign currency, such as the purchases of raw materials and sales to foreign customers. The Group hedges these transactions but does not apply hedge accounting, i.e economic hedges are used.

ACCOUNTING POLICY

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as net other operating income and expenses. Refer to note 23 for the treatment of foreign exchange gains or losses in a hyperinflationary economy.

Other operating income and expenses are income and expenses incurred by the Group which are neither distribution nor administrative in nature.

Rm	2022	Restated[1] 2021
Other operating income		
Fair value gains on derivatives (net)	**33**	51
Foreign exchange gain on revaluation of assets and liabilities (net)	**–**	81
Insurance claims	**1**	8
Profit on disposal of property, plant and equipment/intangible assets	**–**	2
Other	**44**	60
	78	202
Other operating expenses		
Foreign exchange loss on revaluation of assets and liabilities (net)	**(151)**	–
Fair value adjustments of interest rate swaps not designated as cash flow hedges	**–**	(37)
Amortisation of intangible assets (refer to note 5)	**(112)**	(132)
Loss on disposal of property, plant and equipment/intangible assets	**(5)**	–
Oro Agri indemnification asset released	**–**	(40)
Environmental provision	**(9)**	–
	(277)	(209)
Impairment losses on non-financial assets		
Property, plant and equipment	**(22)**	–
Goodwill and intangible assets	**(7)**	–
	(29)	–

[1] Restated for discontinued operations.

23. MONETARY IMPACT ON HYPERINFLATION

The Public Accountants and Auditors Board of Zimbabwe declared Zimbabwe a hyperinflationary economy effective from 1 July 2019. This section sets out the impact of applying hyperinflation accounting to the performance and position of the Group's Zimbabwean operations.

ACCOUNTING POLICY

The financial statements of subsidiaries and joint ventures whose functional currencies are the currencies of hyperinflationary economies, are adjusted in terms of the measuring unit current at the end of the reporting period.

The adjustments are calculated as follows:

- Non-monetary assets and liabilities are adjusted to reflect the change in the general price index form the date of acquisition to the end of the reporting period
- Monetary assets and liabilities are not adjusted
- All components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose to the end of the reporting period
- All items recognised in profit or loss are adjusted by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred to the end of the reporting period
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period

All gains or losses resulting from the above adjustment are recognised as a net impact of hyperinflation and foreign exchange losses in profit or loss.

As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. The cumulative effect of comparative monetary gains or losses are recognised in other comprehensive income.

The results and balances of a subsidiary in a hyperinflationary economy are translated to the presentation currency using the closing rate at the end of the reporting period.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group applies inflation indices as published by the Zimbabwe National Statistics Agency when converting results and balances to the measuring unit at the end of the reporting period. The Group has previously applied the Old Mutual Implied Rate (OMIR) to translate transactions in US dollars to Zimbabwe dollars as it deemed that rate to be a reliable indicator of the ruling exchange rate. This rate was implied from the relative share prices of the Old Mutual share on the Zimbabwe Stock Exchange (ZSE) in comparison with its trade prices on the Johannesburg and London stock exchanges. From 23 June 2020, trade in Old Mutual shares on the ZSE was suspended and thus the OMIR is no longer determinable. With effect from the same date, the Reserve Bank of Zimbabwe introduced a foreign exchange auction trading system which system was intended to create a formal market that would aid in the determination of exchange rates. The rates determined under this system are referred to as inter-bank rates (IBR). The Group has, since the market's introduction, used the IBR to translate transactions in US dollars to Zimbabwe dollars, which is judged to be the spot rate in line with the requirement of IAS 21.

The US Dollar: Interbank Rate at 31 March 2022 was 1:142.42 (2021: 1: 84.40). The Group translates the Zimbabwean dollar operations from its Zimbabwean subsidiary and joint venture into Rand for consolidation and equity accounting purposes respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

23. MONETARY IMPACT ON HYPERINFLATION continued

Details of the hyperinflation indices and exchange rates used are:

	2022			2021		
	CPI	**CPI index**	**ZWL:USD**	CPI	CPI index	ZWL:USD
March	**4 766.10**	**1.0000**	**142.42**	2 759.83	1.0000	84.40
February	**4 483.06**	**1.0631**	**124.02**	2 698.89	1.0226	83.89
January	**4 190.00**	**1.1375**	**115.42**	2 608.79	1.0579	82.68
December	**3 977.46**	**1.1983**	**108.67**	2 474.51	1.1153	81.79
November	**3 760.90**	**1.2673**	**105.67**	2 374.24	1.1624	81.82
October	**3 555.90**	**1.3403**	**97.14**	2 301.67	1.1991	81.35
September	**3 342.00**	**1.4261**	**87.67**	2 205.24	1.2515	81.44
August	**3 191.20**	**1.4935**	**86.06**	2 123.97	1.2994	83.40
July	**3 062.90**	**1.5561**	**85.64**	1 958.72	1.4090	76.76
June	**2 986.40**	**1.5959**	**85.42**	1 445.21	1.9096	122.23
May	**2 874.80**	**1.6579**	**84.73**	1 097.65	2.5143	136.53
April	**2 803.60**	**1.7000**	**84.50**	953.36	2.8948	59.47

The monetary gain for hyperinflation for the year ended 31 March 2022 is R196 million (2021: R496 million) and has been recognised in the Group's operating profit. The Group's Zimbabwean subsidiary's contribution to the Group's statement of comprehensive income and the Group's statement of financial position is as follows:

Rm	**2022**	2021
Statement of comprehensive income		
Revenue	**621**	587
Expenses	**(791)**	(399)
Operating (loss)/profit before items below	**(170)**	188
Net impact of hyperinflation and foreign exchange losses	**41**	176
Net foreign exchange losses in Zimbabwe operations	**(155)**	(320)
Monetary adjustment for hyperinflation – Zimbabwe	**196**	496
Operating (loss)/profit	**(129)**	364
Finance expense	**(2)**	(3)
(Loss)/profit before income tax	**(131)**	361
Income tax	**35**	(27)
(Loss)/profit for the year	**(96)**	334
Statement of financial position		
Property, plant and equipment	**17**	11
Inventory	**270**	173
Monetary asset	**78**	40
Monetary liabilities	**(510)**	(194)
Deferred tax	**30**	(27)
Equity	**115**	(3)

24. OPERATING PROFIT

This section details material expenses, due to their nature or amount contained in operating profit.

Operating profit is stated after charging:

Rm	2022	2021[1]
Auditors' remuneration	48	38
– Fees for audit	48[3]	34
– Other services	–	4
Depreciation of property, plant and equipment	521	587
Depreciation of right-of-use assets	93	107
Amortisation of intangible assets	112	115
Short-term leases	20	5
Low-value leases	17	10
Variable lease payments	10	6
Research and development expenditure	10	17
Staff costs[2]	1 811	1 756
– Wages and salaries including cash incentives	1 680	1 677
– Provident fund costs – defined contribution plans	49	47
– Equity-settled share-based payment expense	82	32
Staff costs have been charged to:	1 811	1 756
– Distribution expenses	545	533
– Administrative expenses	587	564
– Cost of sales	679	659
Restructuring costs	–	15
Inventory written down	44	51
Impairment (reversal)/losses of expected credit losses on financial assets	(29)	84
Receivables written off	–	14

1 Restated for discontinued operations
2 Staff costs, including short-term benefits, are expensed as incurred
3 Included in this amount is R26 million paid to Deloitte & Touche in respect of the 2022 external audit

25. FINANCE INCOME AND FINANCE EXPENSE

Finance costs include interest on borrowings, leases and deferred considerations on acquisitions.

Rm	2022	2021[1]
Finance income		
Interest received	74	109
Note: Finance income includes interest received on bank accounts at the effective interest rate.		
Finance expense		
Short-term interest-bearing borrowings	(56)	(143)
Long-term interest-bearing borrowings	(1)	(110)
Interest paid on deferred acquisition prices	–	(2)
Interest on lease liabilities	(28)	(51)
Fair value adjustment on interest rate swaps designated as cash flow hedges – transfer from OCI	–	(67)
Interest on tax payables	(65)	–
	(150)	(373)

1 Restated for discontinued operations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

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26. TAXATION

The total income tax expense charged to the Group in respect of amounts currently owing for taxable profits and future income taxes recoverable or payable in respect of temporary differences is presented here together with a reconciliation of the effective tax rate.

ACCOUNTING POLICY

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and established provisions where appropriate based on amounts expected to be paid to tax authorities. Income tax for current and prior periods is, to the extent to which it is unpaid, is recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset and reversed when it reduces future tax payments.

Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the relevant tax authority is included in trade and other payables in the statement of financial position.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Management assesses the Group's liabilities and contingencies for all tax years open to audit based upon the latest information available. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. For those matters where it is probable that an adjustment will be made, the Group records its reasoned estimate of these tax liabilities. Where appropriate, management consults with experts in determining the estimated liabilities to be recognised.

These current open tax matters are spread across numerous jurisdictions and consist of legacy transfer pricing and corporate tax matters that have been open for a number of years and may take several years to resolve. In recognising a provision for these taxation exposures in terms of IFRIC 23, consideration was given to the range of possible outcomes to determine the Group's best estimate of the amount to provide. The estimated amounts have been provided for under the Group's income tax liability on the statement of financial position.

During FY2022, as new facts and circumstances became available, the Group reassessed the appropriateness of existing estimates and judgements to evaluate the adequacy of the provision raised in terms of IFRIC 23.

As at 31 March 2022, the Group has recognised R300 million (2021: R360 million) of estimated uncertain tax liabilities related to all possible adverse outcomes of these open matters, with the most significant matter being noted below. The reduction in the uncertain tax liabilities compared to FY2021 takes into consideration a re-evaluation of the current position for all tax years open to audit which may still be subject to a possible adjustment. A portion of the R300 million relates to the South African Revenue Service Audit below.

South African Revenue Service (SARS) Audit
On 17 June 2021, the Group received a finalisation of audit letter from SARS, indicating a possible upward adjustment to taxable income following the conclusion of a transfer pricing audit relating to the company's 2014 – 2016 years of assessment. Per the finalisation of audit letter, additional assessments resulting in a cumulative additional tax liability of approximately R415 million and understatement penalties of R165 million were levied. The additional assessments attract interest at a rate prescribed by SARS (calculated monthly), amounting to approximately R365 million (2021: R328 million) at 31 March 2022.

In July 2021, the Group submitted a request for the deferment of payment to SARS in respect of its 2014 – 2016 years of assessment. The request was partially granted in November 2021, with SARS requesting a payment of R207 million by 2 December 2021 and all future possible payments being deferred until the matter is resolved. Interest continues to accrue on the outstanding balance of tax at the rate prescribed by SARS and the payment made to SARS continues to earn interest. Such interest has been recognised separately from the Group's estimated uncertain tax liabilities.

An objection to the 2014 – 2016 assessments raised by SARS was submitted on 15 November 2021 following extensive engagement with transfer pricing specialists. The Group received a request for substantiating documentation from SARS on 26 January 2022 which was submitted to SARS on 7 April 2022. On 29 April 2022, SARS requested an extension to respond to the objection until 30 September 2022.

The Group continues to be desirous for an amicable conclusion to this matter, although it may be necessary to resolve it through the Alternative Dispute Resolution process. This is considered to be the most probable outcome of the matter and thus forms the basis of the provision raised in this regard in terms of IFRIC 23.

The Group and its advisers believe that any resolution would most likely be substantially less than the additional tax liability assessed by SARS.

Income tax expense for the year:

Rm	**2022**	2021
South African normal taxation		
– Current year	**258**	204
– Prior year[1]	**7**	6
Foreign taxation		
– Current year	**118**	122
– Prior year[1]	**35**	(8)
Total normal tax	**418**	324
Deferred taxation		
– Current year	**48**	(37)
– Tax rate adjustment	**(8)**	–
– Prior year[1]	**6**	14
Total deferred tax (refer to note 8)	**46**	(23)
Withholding tax	**29**	7
Taxation for the year	**493**	308

[1] Prior year adjustments relate to the underprovision of tax in relation to unrealised foreign exchange gains, agreeing FY2021 year-end tax liability to the actual returns and an adjustment to the tax return filed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

26. TAXATION continued

Tax rate reconciliation:

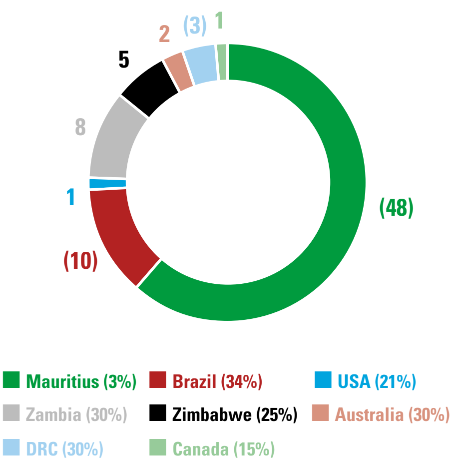
The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

Rm	2022	2021
Profit before taxation from continued operations	**1 521**	874
Profit before taxation from discontinued operations	**325**	817
Subtotal	**1 846**	1 691
Tax calculated at 28% (2021: 28%)	**517**	473
Adjusted for:		
Non-deductible expenses	**106**	133
Amortisation of intangible assets	**2**	14
Expenses of a capital nature[1]	**78**	78
Share-based payments	**13**	5
Non-deductible loss on hyperinflation	**12**	–
Interest rate swaps	**–**	29
Other	**1**	7
Movements under IFRIC 23 *Uncertainty over Income Tax Treatments*[2]	**(60)**	91
Assessable losses not accounted for as deferred tax asset	**21**	41
Different tax rates in countries in which the Group operates[3]	**(44)**	(6)
Assessable losses utilised	**(2)**	(25)
Exempt income	**(133)**	(470)
Dividends received	**(2)**	–
Profit on disposal of business	**(91)**	(237)
Income of a capital nature	**(13)**	–
Unrealised foreign exchange gains	**(27)**	–
Other comprehensive income recycled to profit and loss	**–**	(110)
Non-taxable income on hyperinflation	**–**	(122)
Other	**–**	(1)
Special allowances[4]	**(11)**	(12)
Under provision prior year	**48**	12
Rate adjustment	**(8)**	–
Hyperinflation	**(18)**	27
Capital gains tax[5]	**45**	32
Withholding tax	**29**	7
Other	**3**	5
Tax charge	**493**	308
Income tax expense attributable to:		
Profit from continuing operations	**428**	267
Profit from discontinued operations	**65**	41
Tax charge	**493**	308

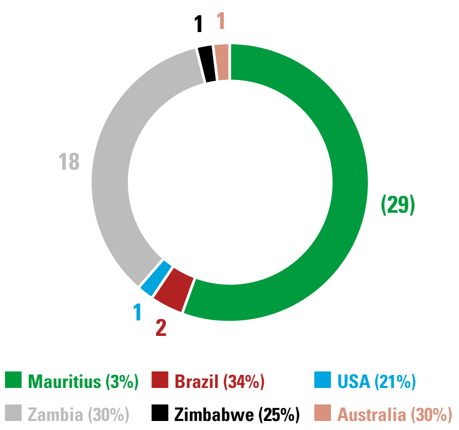
1 Expenses of capital nature include consultation and legal fees, overseas travel.
2 A portion of the Uncertainty over Income Tax Treatments provision has been reallocated to the interest expense.
3 The Group operates in 25 countries across the world which have statutory rates of tax from 3% to 35%.
4 Special allowances include learnership allowances and allowances in respect of energy efficiency savings.
5 Capital gains tax from disposal of business and treasury shares.

The difference in tax rates of other countries reconciling line can be attributed to the following countries:

Difference in tax rates 2022



Difference in tax rates 2021



Income taxes paid represents cash paid to revenue authorities in South Africa and in foreign jurisdictions in which the Group operates:

Rm	**2022**	2021
Income tax liability at the beginning of the year	**(357)**	(174)
Charged to the income statement	**(447)**	(331)
Foreign currency movement	**(4)**	8
Disposal of business	**(4)**	(8)
Net income tax liability at the end of the year	**258**	357
	(554)	(148)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

27. CASH GENERATED FROM OPERATIONS

This section presents cash and cash equivalents in the statement of cash flows and a reconciliation of the Group's profit for the period to net cash flows provided by operating activities.

ACCOUNTING POLICY

The Group has elected to disclose interest received and interest paid as part of operating activities and dividends paid as part of financing activities on the cash flow statement.

Rm	2022	Restated[1] 2021
Profit before taxation	**1 846**	1 691
Adjusted for:		
Monetary gain on hyperinflation	**(196)**	(496)
Net finance costs	**75**	262
Share of net profit from investments: equity method	**–**	(2)
Unrealised foreign exchange gains and losses	**176**	(304)
Gain on disposal of Umongo/Oro Agri	**(324)**	(848)
Depreciation – Property, plant and equipment	**521**	587
Depreciation – Right-of-use assets	**95**	120
Amortisation	**116**	221
Impairment of property, plant and equipment	**22**	–
Impairment of goodwill and intangible assets	**7**	–
Loss on disposal of property, plant and equipment	**5**	4
Share-based payment expense	**82**	48
Increase/(decrease) in provisions	**13**	(21)
Movement in employee related accrual on disposal of Umongo	**54**	–
Inventory written off	**44**	51
Movement in derivative financial instruments	**44**	41
Cancellation of leases	**(14)**	–
Impairment (gains)/losses on financial assets	**(27)**	83
(Increase)/decrease in inventory	**(1 344)**	401
(Increase)/decrease in trade and other receivables	**(458)**	684
Increase/(decrease) in trade and other payables	**1 204**	(10)
	1 941	2 512

[1] Restated, refer to note 2.8.

28. RELATED PARTY TRANSACTIONS

The Group entered into transactions and has balances with joint ventures, joint operators and directors. Transactions that are eliminated on consolidation are not included.

Rm	2022	2021
Sales of goods		
Acol Chemical Holdings (Pvt) Limited – joint venture	**7**	7
Interest received		
Richards Bay Ammonia Partnership – joint operation	**2**	2
Trade receivables		
Acol Chemical Holdings (Pvt) Limited – joint venture	**2**	1
Richards Bay Ammonia Partnership – joint operation	**11**	–

Refer to note 30 for the disclosure of key management being the executive directors and prescribed officers.

29. EMPLOYEE SHARE SCHEME

Details of the Group's share incentive schemes are detailed below.

ACCOUNTING POLICY

The Group operates equity-settled and cash-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group.

For equity-settled share-based payments, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted on grant date, excluding the impact of any non-market vesting conditions like profitability and sales growth targets and remaining an employee of the entity over a specified period. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

For cash-settled share-based payments, a liability is recognised based on the fair value of the amount expected to settle the liability. Subsequent remeasurement at each reporting date occurs and any changes in the fair values are then recognised in profit or loss.

NEW EMPLOYEE SHARE SCHEME – EQUITY SETTLED

The Group's remuneration and nominations committee approved a new employee share scheme to align the interests of its employees with those of the company's shareholders and to attract and retain employees. The plan was set up to remunerate employees through the issue of either performance shares, retention shares, remuneration shares, sign-on shares and deferred bonus shares. Each of the different share awards contain specific conditions and vesting periods. Management has determined that all future equity-settled share schemes will be settled through the purchase of shares in the market.

Omnia 2020 Share Plan performance conditions

The vesting period linked to the performance conditions is predominantly a period of three years from the grant date. All the shares allocated will vest on the vesting date, subject to meeting the relevant performance conditions communicated to the individual.

In determining the fair value of the shares at grant date of the award, management estimated that all vesting conditions will be met over the vesting period including market-related vesting conditions. As per the scheme rules, all dividends accrue to the participants over the vesting period. Should there be market-related conditions applicable to the vesting conditions, a valuation model is used to calculate the potential outcomes and determine the relevant fair value. The valuation model utilised in such circumstances is the Monte Carlo model.

During the 2021 financial year grants were made to executive management; the CEO's grant was based on meeting strategic KPIs in Omnia's turnaround strategy; the other executive management were granted shares based on both strategic KPIs and market-related conditions.

For vesting to be achieved according to the vesting conditions related to the finance director and prescribed officers measured over the period 1 April 2020 to 31 March 2023 are:

Measure	Weight	Minimum (75%)	Target (100%)	Stretch (120%)[1]
Total shareholder return per annum	50%	15%	20%	25%
Reduction of operating leverage per annum	10%	R150 million	R175 million	R200 million
Reduction of debt	20%	<2.5x EBITDA	<2.25x EBITDA	<2x EBITDA
Strategic, turnaround KPIs	20%	To be disclosed on vesting		

[1] In the different measure categories, a stretch target of 120% can be achieved, however, the total awards are capped at 100%.

In the 2022 financial year additional grants were made to general and executive management, these grants have both a strategic KPI and market-related conditions measured over the vesting period as illustrated below:

Measure	Weight	Minimum (75%)	Target (100%)	Stretch (120%)[1]
Total Shareholder return per annum	70%	8%	12%	16%
Strategic KPIs	30%	To be disclosed on vesting		

[1] In the different measure categories, a stretch target of 120% can be achieved, however, the total awards is capped at 100%.

Performance shares have also been awarded to certain managers within the Omnia Group with a vesting period of three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

29. EMPLOYEE SHARE SCHEME continued

The allocations and conditions are set out below.

Grant	Number of staff remaining	Number of shares granted	Grant date	Vesting date	Fair value per share on grant date	Number of shares vested/ (forfeited)	Remaining balance of shares to vest	Historical cost recognised R'000	Current year cost in staff cost R'000
2020 Management	**1**	**288 000**	**27 Feb 20**	**15 Sep 22**	**24.75**	**–**	**288 000**	**3 707**	**3 421**
2021 Management	**6**	**258 655**	**27 Mar 20**	**31 Mar 23**	**23.20**	**(86 219)**	**172 436**	**2 000**	**665**
2021 Management	**7**	**1 730 000**	**24 Nov 20**	**Various[1]**	**47.62**	**–**	**1 730 000**	**27 330**	**50 250**
2021 Management	**1**	**33 595**	**01 Feb 21**	**01 Feb 24**	**44.65**	**–**	**33 595**	**83**	**496**
2022 Management	**1**	**11 111**	**01 Mar 21**	**01 Mar 24**	**44.69**	**–**	**11 111**	**14**	**165**
2022 Management	**119**	**988 750**	**28 Jul 21**	**30 Jun 24**	**45.74**	**(116 278)**	**872 472**	**–**	**13 261**
2022 Management	**5**	**34 168**	**01 Feb 22**	**31 Jan 25**	**54.08**	**–**	**34 168**	**–**	**346**
2022 Management	**1**	**33 334**	**01 Feb 22**	**30 Nov 24**	**53.71**	**–**	**33 334**	**–**	**406**
2022 Management	**1**	**183 334**	**01 Feb 22**	**Various[2]**	**54.11 – 57.51**	**–**	**183 334**	**–**	**363**
2022 Management	**1**	**13 148**	**01 Mar 22**	**30 Sep 24**	**56.61**	**–**	**13 148**	**–**	**186**
		3 574 095					**3 371 598**	**33 134**	**69 559**

[1] For six of the participants the vesting period is 31 March 2023; for one of the participants the original vesting date is 31 March 2022; this has been modified to vest in tranches from 30 November 2022 to 30 November 2023.

[2] The vesting is done in tranches from 31 January 2025 to 31 January 2027.

[3] A further award of was made on 29 March 2022 to the CEO. The award is subject to performance conditions which will start on 1 April 2022. Refer to note 31 for a breakdown of all awards granted to the CEO.

Valuations of these instruments are achieved by performing a Monte Carlo simulation involving the Omnia share price at grant date, volatility, risk free rates, and certain dividend assumptions. The volatility was based on a historical volatility method, the method used was an equal weighted volatility:

- Expected price volatility of the company's shares: 41.23% to 49.93%
- Expected dividend yield: 5.44% to 6.82%
- Risk-free interest rate: 4.96% to 6.7%
- Forfeiture rate: 5%

OMNIA BROAD-BASED EMPLOYEE SHARE SCHEME

Omnia Broad-Based Employee Share Scheme intends to create ownership of Omnia for all eligible employees employed by Omnia as of 1 July 2021. Employees eligible to participate in the scheme are intended to benefit from the growth in value of the Omnia share price during the execution of the Group strategy.

All Omnia employees, employed effective 1 July 2021, will be eligible for participation. Employees who are recipients of performance shares as per the Omnia 2020 Share Plan, will not be eligible to participate (this is mainly executives and senior management).

Shares assigned to employees will be housed in the Omnia Broad-Based Employee Share Trust. The vesting period will be from 1 July 2021 to 30 June 2024. All employees who are eligible to participate have been allocated 300 shares, which will vest in the name of the participant at the end of the reporting period.

No other performance-related conditions are attached to the shares.

The allocations and conditions are set out below.

	Number of staff remaining	Number of shares granted	Grant date	Vesting date	Fair value per share on grant date	Number of shares vested/ (forfeited)	Remaining balance of shares to vest	Historical cost recognised R'000	Current year cost in staff cost R'000
Allocated employees	3 000	955 500	01 Sep 21	30 Jun 24	58.00	(53 604)	901 896	–	12 111

Due to the vesting nature of these grants, being the completion of a service period, the valuation of the shares have been achieved by taking the relevant spot price at the grant date and including the dividend of R6 paid to shareholders to obtain the unconditional fair value including dividends which also accrue to all participants.

- Share price at grant date: R52
- Dividend declared and paid before grant date: R6
- Forfeiture rate of 5%

The total impact relating to the sale of Umongo Petroleum accelerated expenditure on the schemes relating to the Umongo Petroleum employees amounting to R3 million.

Overall share-based payment reserve and expense reconciliation

	Share-based payment reserve Rm
Balance at 1 April 2021	32
Management performance share scheme expense	70
Broad-based share scheme expense	12
Total share-based payment expense	**82**
Balance at 31 March 2022	**114**

30. DIRECTORS' REMUNERATION

	2022								
R'000	Fees	Basic salary	STI accrual*	Retirement funding	Medical aid	Car allowances	Qualifying dividends[1]	Other[2]	Total
Executive									
T Gobalsamy		7 253	–	–	88	220	10 368	8	17 937
S Serfontein		2 958	–	252	64	299	1 048	19	4 640
Non-executive									
R Havenstein (chair)	1 225	–	–	–	–	–	–	–	1 225
N Binedell	451	–	–	–	–	–	–	–	451
R Bowen	678	–	–	–	–	–	–	–	678
T Eboka	917	–	–	–	–	–	–	–	917
S Mncwango	440	–	–	–	–	–	–	–	440
W Plaizier	648	–	–	–	–	–	–	–	648
T Mokgosi-Mwantembe	755	–	–	–	–	–	–	–	755
Z Swanepoel	776	–	–	–	–	–	–	–	776
G Cavaleros	1 033	–	–	–	–	–	–	–	1 033
	6 923	10 211	–	252	152	519	11 416	27	29 500

1 Qualifying dividends represent dividends received on unvested shares for participants on share schemes. The post-tax proceeds from the dividends received by the executive directors and prescribed officers in respect of their restricted shares were reinvested in Omnia shares.
2 Includes subscription related fees and long service award.
* The remuneration and nominations committee has approved a bonus range to be paid to executives, prescribed officers and other employees, following the finalisation of an appropriate allocation mechanism. The formal salary review process inclusive of salary increases, STI and LTI allocations takes place in July of each year. The allocation mechanism and final payment are expected to be finalised in July 2022 and will be disclosed in detail in the Group's integrated annual report.

Refer below to the share section for the detailed breakdown of shares granted and vested to directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

30. DIRECTORS' REMUNERATION continued

R'000	Fees	Basic salary	STI accrual*	Retirement funding	Medical aid	Car allowances	Other[1]	Total
	2021							
Executive								
T Gobalsamy[2]	–	1 724	14 400	–	84	55	10	16 273
S Serfontein	–	2 752	5 000	248	62	171	10	8 243
Non-executive								
R Havenstein (chair)	1 200	–	–	–	–	–	–	1 200
N Binedell	444	–	–	–	–	–	–	444
R Bowen	636	–	–	–	–	–	–	636
T Eboka	636	–	–	–	–	–	–	636
S Mncwango	449	–	–	–	–	–	–	449
W Plaizier	445	–	–	–	–	–	–	445
T Mokgosi-Mwantembe	717	–	–	–	–	–	–	717
Z Swanepoel	659	–	–	–	–	–	–	659
G Cavaleros	766	–	–	–	–	–	–	766
L de Beer[3]	680	–	–	–	–	–	–	680
F Butler[4]	470	–	–	–	–	–	–	470
	7 102	4 476	19 400	248	146	226	20	31 618

[1] Other includes subscription related amounts.
[2] Appointed as Chief Executive Officer on 21 August 2019. Previously finance director. In February 2020, remuneration shares were awarded to Seelan Gobalsamy, in lieu of his salary for the period 1 January 2020 to 31 December 2020. These shares were due to vest on 31 March 2022. The CEO has, however, agreed that the vesting of the Remuneration and Award Shares will be deferred. The shares were purchased in the market on 28 February 2020 for R7.2 million and will be expensed over the vesting period with the corresponding entry in share-based payment reserves. The shares are held in a restricted activity account in Seelan Gobalsamy's name and are recognised as treasury shares until vesting date for accounting purposes although that is not their legal form.
[3] Resigned 1 February 2021.
[4] Retired 23 September 2020.
* The remuneration and nominations committee approved a bonus pool range to be paid to executives, prescribed officers and other employees which was accrued for in the annual financial statements for FY2021. Subsequent to the issue of the FY2021 annual financial statements the allocation mechanism was finalised and these amounts were paid to the respective individuals, the disclosure has been updated to include these allocations.

Refer below to the share section for the detailed breakdown of shares granted and vested to directors.

Prescribed officers

R'000	Basic salary	STI accrual*	Retirement funding	Medical aid	Car allowances	Qualifying dividends[1]	Other[2]	Total
	2022							
CM Kotze[3]	**597**	**–**	**41**	**12**	**–**	**–**	**2 508**	**3 158**
M Smith	**2 104**	**–**	**188**	**–**	**246**	**519**	**–**	**3 057**
M Nana	**2 523**	**–**	**227**	**45**	**274**	**202**	**503**	**3 774**
R Hennecke	**1 222**	**–**	**106**	**28**	**122**	**358**	**–**	**1 836**
J Keenan[4]	**1 825**	**–**	**–**	**16**	**–**	**–**	**–**	**1 841**
L Dentlinger[5]	**2 088**	**–**	**187**	**17**	**–**	**–**	**–**	**2 292**
	10 359	**–**	**749**	**118**	**642**	**1 079**	**3 011**	**15 958**

[1] Qualifying dividends represent dividends received on unvested shares for participants on share schemes. The post-tax proceeds from the dividends received by the executive directors and prescribed officers in respect of their restricted shares were reinvested in Omnia shares.
[2] Includes retention payments and subscription fees.
[3] Appointed 1 February 2022.
[4] Resigned 24 July 2021.
[5] Resigned as prescribed officer on 25 January 2022.
* The remuneration and nominations committee has approved a bonus range to be paid to executives, prescribed officers and other employees, following the finalisation of an appropriate allocation mechanism. The formal salary review process inclusive of salary increases, STI and LTI allocations takes place in July of each year. The allocation mechanism and final payment are expected to be finalised in July 2022 and will be disclosed in detail in the Groups integrated annual report.

Refer below to the share section for the detailed breakdown of shares granted and the associated vesting period for prescribed officers.

R'000	Basic salary	STI accrual*	Retirement funding	Medical aid	Car allowances	Other[1]	Total
				2021			
J Keenan	5 741	–	–	37	–	–	5 778
M Smith	1 927	1 850	172	–	246	–	4 195
M Nana	2 523	1 500	227	43	252	2	4 547
L Dentlinger[2]	1 879	1 850	169	13	5	3	3 919
J de Villiers[3]	870	–	78	36	101	–	1 085
J Vermaak[4]	1 584	–	139	57	175	218	2 173
P Mojono[5]	1 069	–	86	11	78	211	1 455
	15 593	5 200	871	197	857	434	23 152

[1] Other includes retention payments, Sakhile 1 settlements, leave pay, holiday and other accommodation.
[2] Appointed on 1 July 2020.
[3] Restructuring of Fertilizer RSA, J de Villiers' role changed from MD Fertilizer RSA to Head of Supply Chain, effective 1 September 2020.
[4] Resigned 30 November 2020.
[5] Resigned 30 June 2020.
* The remuneration and nominations committee approved a bonus pool range to be paid to executives, prescribed officers and other employees which was accrued for in the annual financial statements for FY2021. Subsequent to the issue of the FY2021 annual financial statements the allocation mechanism was finalised and these amounts were paid to the respective individuals, the disclosure has been updated to include these allocations.

Refer below to the share section for the detailed breakdown of shares granted and vested to prescribed officers.

Emoluments relating to shares granted to directors and prescribed officers

Share plan	Grant month/ award month	**Number of shares awarded**	**Cost per share R**	**Number of shares vested in the current year**	**Closing balance of shares**	**Expected vesting date**
Omnia 2020 Share Scheme						
Directors						
T Gobalsamy	February 2020	**288 000**	**25**	**–**	**288 000**	September 2022
T Gobalsamy	November 2020	**1 440 000**	**48**	**–**	**1 440 000**	November 2022 – November 2023
T Gobalsamy	March 2022	**538 638**	**66**	**–**	**538 638***	March 2025 – March 2027
S Serfontein	November 2020	**120 000**	**48**	**–**	**120 000**	March 2023
S Serfontein	July 2021	**54 727**	**55**	**–**	**54 727**	June 2024
Prescribed officers						
R Hennecke	March 2020	**32 332**	**23**	**–**	**32 332**	March 2023
R Hennecke	July 2021	**27 364**	**55**	**–**	**27 364**	June 2024
R Hennecke	February 2022	**33 334**	**60**	**–**	**33 334**	November 2024
M Smith	November 2020	**50 000**	**48**	**–**	**50 000**	March 2023
M Smith	July 2021	**36 485**	**55**	**–**	**36 485**	June 2024
M Nana	November 2020	**20 000**	**48**	**–**	**20 000**	March 2023
M Nana	July 2021	**13 682**	**55**	**–**	**13 682**	June 2024
CM Kotzé	February 2022	**29 160**	**60**	**–**	**29 167**	January 2025
CM Kotzé	February 2022	**29 167**	**60**	**–**	**29 167**	January 2026
CM Kotzé	February 2022	**41 666**	**60**	**–**	**41 666**	January 2025
CM Kotzé	February 2022	**41 667**	**60**	**–**	**41 667**	January 2026
CM Kotzé	February 2022	**41 667**	**60**	**–**	**41 667**	January 2027
J de Viliers	November 2020	**50 000**	**23**	**–**	**50 000**	March 2023

* One-third of these shares will vest on 31 March 2025, 31 March 2026 and 31 March 2027 respectively.

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for the year ended 31 March 2022

31. SUBSIDIARIES, JOINT VENTURES AND JOINT OPERATIONS

The Group is undergoing a project to simplify its Group structure and deregister dormant entities. The Group's local and foreign subsidiaries are detailed below.

ACCOUNTING POLICY

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has the rights to variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Investments in subsidiaries are accounted for at cost less impairment in the company's separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Costs also include direct attributable costs of investments.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

As part of the granting of the loan facilities in FY2020, the consortium of principal lenders required the use of a special purpose entity ("SPE") to ring-fence the security provided. The obligors are required to indemnify the SPE for any obligations under the guarantee and in turn the SPE provides counter indemnities to the lenders.

The following is a list of subsidiaries, joint ventures and joint operations of the Group.

			Effective holding	
	Country of incorporation	Issued capital Rm	**2022 %**	2021 %
Extension of company				
Omnia Holdings Limited Share Incentive Trust	South Africa	–	**–**	–
Omnia Management Share Trust	South Africa	–	**–**	–
Direct subsidiary				
Omnia Group Investments Limited	South Africa	6	**100**	100
Direct holding of Omnia Group Investments Limited				
Omnia Group Proprietary Limited	South Africa	3 959	**100**	100
Direct holdings of Omnia Group Proprietary Limited				
Omnia Group International Limited	Mauritius	7	**100**	100
Omnia Fertilizer Limited	South Africa	178	**100**	100
Omnia Lesotho Holdings Proprietary Limited	Lesotho		**100**	100
Bulk Mining Explosives Lesotho (Pty) Ltd	Lesotho	–	**100**	100
Bulk Mining Explosives Namibia Proprietary Limited	Namibia	–	**100**	100
Bulk Mining Explosives Ghana Proprietary Limited	Ghana	–	**100**	100
BME Explosives Canada Inc.	Canada	–	**100**	100
Protea Chemicals Namibia Proprietary Limited	Namibia	–	**100**	100
Innofert Proprietary Limited	South Africa	–	**100**	100
Omnia Swaziland Limited	Swaziland	–	**100**	100
Umongo Petroleum Proprietary Limited	South Africa	8	**9**	100
K2017443268 (South Africa) Proprietary Limited	South Africa	–	**100**	100
K2017448055 (South Africa) Proprietary Limited	South Africa	–	**100**	100
Direct holding of BME Explosives Canada Inc.				
BME Mining Canada Inc.	Canada	2	**50**	50
Direct holding of K2017448055 (South Africa) Proprietary Limited				
Oro Agri SEZC Limited	Cayman Island	–	**100**	100
Bulk Mining Explosives USA	USA	–	**100**	100

	Country of incorporation	Issued capital Rm	Effective holding 2022 %	2021 %
Direct holdings of Omnia Group International Limited				
Banket Blender (Pvt) Limited	Zimbabwe	–	**100**	100
Omnia Fertilizer Zambia Limited	Zambia	–	**100**	100
Omnia Zimbabwe (Pvt) Limited	Zimbabwe	–	**100**	100
Omnia Small Scale Limited	Zambia	–	**100**	100
Omnia NZ International Limited	New Zealand	–	**100**	100
Omnia International (Australia) Proprietary Limited	Australia	3	**100**	100
Omnia Fertilizer Kenya Limited	Kenya	–	**100**	100
Bulk Mining Explosives Côte d'Ivoire SARL	Côte d'Ivoire	–	**100**	100
Bulk Mining Explosives Guinea SARL	Guinea	–	**100**	100
Bulk Mining Explosives Liberia	Liberia	–	**100**	100
Omnia Fertilizer Limited	Malawi	–	**100**	100
Omnia do Brasil Representações Comerciais Limitada	Brazil	24	**100**	100
Omnia Group Limited y Cia Limitada (Chile)	Chile	–	**100**	100
Omnia Angola Limitada	Angola	–	**100**	100
Omnia Mozambique Limitada	Mozambique	–	**100**	100
Omnia China Company Limited	China	–	**100**	100
Bulk Mining Explosives Mali SARL	Mali	–	**100**	100
Bulk Mining Explosives Tanzania Proprietary Limited	Tanzania	–	**100**	100
Bulk Mining Explosives Botswana Proprietary Limited	Botswana	–	**100**	100
Bulk Mining Explosives Zambia Limited	Zambia	–	**100**	100
Bulk Mining Explosives Mauritania SARL	Mauritania	–	**100**	100
Bulk Mining Explosives Senegal SARL	Senegal	–	**100**	100
Bulk Mining Explosives Sierra Leone Limited	Sierra Leone	–	**100**	100
Bulk Mining Explosives Burkina Faso SARL	Burkina Faso	–	**100**	100
Bulk Mining Explosives DRC SARL	Democratic Republic of the Congo	–	**100**	100
Bulk Mining Explosives Mozambique Limitada	Mozambique	–	**95**	95
Bulk Mining Explosives Indonesia	Indonesia	–	**100**	100
Protea Chemicals Eastern Africa Limited	Mauritius	–	**100**	100
Protea Chemicals Kenya Limited	Kenya	–	**100**	100
Omnia Retail Limited (Kenya)	Kenya	–	**100**	100
Innofert Limited	Mauritius	–	**100**	100
Direct holding of Omnia International (Australia) Proprietary Limited				
Omnia Specialties (Australia) Proprietary Limited	Australia	3	**100**	100
Bulk Mining Explosives Australia Asia Proprietary/ Advanced Initiating Systems Proprietary Limited	Australia	–	**100**	100
Omnia Property (Australia) Proprietary Limited	Australia	–	**100**	100
Direct holding of Omnia NZ International Limited				
Omnia Specialties NZ Limited	New Zealand	–	**100**	100
Various dormant, structured and property owning companies				
Joint ventures				
Acol Chemical Holdings (Pvt) Limited	Zimbabwe	2	**50**	50
Technifarm Proprietary Limited	South Africa	–	**40**	40
Joint operation				
Richard Bay Ammonia Partnership	South Africa	–	**25**	25

On conclusion of the subscription and repurchase agreement Omnia retained an effective 9% investment in Umongo Petroleum, refer to note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

32. CONTINGENT ASSETS AND LIABILITIES

ACCOUNTING POLICY

A contingent liability is a possible obligation that arises from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of the outflow is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and liabilities are not recognised.

LEGAL PROCEEDINGS

The Group is currently involved in various legal proceedings and is in consultation with its legal counsel, assessing the potential outcome of these proceedings on an ongoing basis. As proceedings progress, management makes provision in respect of legal proceedings where appropriate. Litigations, current or pending, are not likely to have a material adverse effect on the Group.

TAX INVESTIGATIONS

The Group is currently subject to tax investigations by revenue authorities across several jurisdictions.

The Group is in the process of providing relevant material requested by the respective revenue authorities and assessing the potential outcome of the investigations. As these investigations progress and where considered appropriate, management makes provision for any expected tax and related expenditure that may result from the investigations. Certain tax investigations across the Group have been stalled as a result of the COVID-19 pandemic.

33. EARNINGS PER SHARE AND DIVIDENDS PER SHARE

Earnings per share presents the amount of profit generated during the reporting period attributable to shareholders of Omnia Holdings Limited divided by the weighted average number of shares in issue. The potential for any share-based payments issued by the Group to dilute existing shareholders' ownership when the share-based payments are exercised are also presented.

ACCOUNTING POLICY

Basic and headline earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of ordinary shares held by Group entities as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares.

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the period, increased by shares issued during the period weighted on a time basis for the periods during which they have participated in the profit of the Group.

Rm	**2022**	Restated[1] 2021
Basic and diluted earnings – profit from continuing operations attributable to the owners of Omnia Holdings Limited	**1 096**	607
Less: Dividends distributed to participants of the share incentive schemes on unvested shares	**(24)**	–
Basic earnings attributable from continuing operations to the owners of Omnia Holdings Limited	**1 072**	607
Total profit from operations – attributable to the owners of Omnia Holdings Limited	**1 356**	1 383
Less: Dividends distributed to participants of the share incentive schemes on unvested shares	**(24)**	–
Basic earnings attributable to the owners of Omnia Holdings Limited	**1 332**	1 383

Rm	2022 Gross pre-tax	2022 Net	Restated[1] 2021 Gross pre-tax	Restated[1] 2021 Net
Basic earnings – profit attributable to the owners of Omnia Holdings Limited		**1 072**		607
Insurance income for replacement of property, plant and equipment	**(1)**	**(1)**	(7)	(5)
(Profit)/loss on disposal of property, plant and equipment	**5**	**3**	(2)	(1)
Impairment of intangible assets and fixed assets	**29**	**29**		–
Headline earnings from continuing operations		**1 103**		601
Headline earnings from continuing operations		**1 103**		601
Add: Dividends distributed to participants of the share incentive schemes on unvested shares		**24**		–
Diluted headline earnings from continuing operations		**1 127**		601
Basic earnings – profit attributable to the owners of Omnia Holdings Limited		**1 332**		1 383
Insurance income for replacement of property, plant and equipment	**(1)**	**(1)**	(7)	(5)
Loss on disposal of property, plant and equipment	**5**	**3**	6	4
Profit on disposal of Umongo Group/Oro Agri	**(304)**	**(259)**	(787)	(755)
Impairment of intangible and fixed assets		**29**		–
Headline earnings		**1 104**		627
Headline earnings		**1 104**		627
Add: Dividends distributed to participants of the share incentive schemes on unvested shares		**24**		–
Diluted headline earnings		**1 128**		627
Diluted headline earnings from continuing operations		**1 127**		601
Diluted headline earnings		**1 128**		627
Weighted average number of shares in issue ('000)		**164 228**		166 850
Weighted average number of diluted shares in issue ('000)		**168 010**		168 005
Basic earnings per share from continuing operations (cents)		**653**		364
Basic earnings per share from discontinued operations (cents)		**158**		465
Basic earnings per share (cents)		**811**		829
Diluted earnings per share from continuing operations (cents)		**652**		361
Diluted earnings per share from discontinued operations		**155**		462
Diluted earnings per share (cents)		**807**		823
Headline earnings per share from continuing operations (cents)		**672**		361
Headline earnings per share from discontinued operations (cents)		**1**		15
Headline earnings per share (cents)		**673**		376
Diluted headline earnings per share from continuing operations (cents)		**671**		358
Diluted headline earnings per share from discontinued operations (cents)		**1**		15
Diluted headline earnings per share (cents)		**672**		373
Dividend per share (cents)		**600**		–

[1] Restated for discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2022

34. EVENTS AFTER THE REPORTING PERIOD

DIVIDENDS DECLARED (14 JUNE 2022)

The board has declared a final gross cash dividend of 275 cents per ordinary share totalling R465 million, payable from income in respect of the year ended 31 March 2022.

The board has declared a special gross cash dividend of 525 cents per ordinary share and totalling R888 million, payable from income in respect of the year ended 31 March 2022.

The number of ordinary shares in issue at the date of this declaration is 169 052 173 (including 6 219 852 treasury shares held by the Group). The gross dividend is subject to local dividends tax of 20% (FY2021: 20%) for those shareholders to which local dividends tax is applicable. The resultant net final dividend amount is 640 cents per share for those shareholders subject to local dividends tax and 800 cents per share for those shareholders not subject to local dividends tax. The company's tax reference number is 9400087715.

The salient dates for the final dividend are as follows:

Last day to trade cum dividend	Tuesday, 26 July 2022
Shares trade ex-dividend	Wednesday, 27 July 2022
Record date	Friday, 29 July 2022
Payment date	Monday, 1 August 2022

Share certificates may not be dematerialised or materialised between 27 July 2022 and 29 July 2022, both dates inclusive.

ZIMBABWE PRESIDENTIAL ANNOUNCEMENTS

On 7 May 2022, the President of Zimbabwe announced various measures to restore confidence, preserve value and restore macro-economic stability in Zimbabwe. Amongst the various measures announced, the major highlight was on exchange rate management which was subsequently clarified through an Exchange Control Circular No. 3 of 22 to authorised dealers issued on 9 May 2022.

On exchange rate management, the government reviewed the willing-buyer-willing-seller (interbank market rate) foreign exchange system put in place on 1 April 2022 by:

- Increasing the amount that an individual is permitted to purchase on this system to US$5 000 per day with a limited of US$10 000 per week; and
- permitting the pricing of goods and services in the market to be at the prevailing willing-buyer-willing-seller rate (interbank market rate) plus a margin of up to 10%.

In accordance with requirements of IAS 21 – The effects of foreign exchange rates, the introduction of the interbank market rate creates an additional closing spot rate which is an exchange rate that is available for immediate delivery through a legal mechanism.

The resultant effect is the creation of an additional legal exchange mechanism to obtain foreign currency in addition to auction mechanism.

The introduction of the interbank mechanism was instituted post the financial year end. Thus any transactions that arise through the interbank mechanism will be translated at the interbank rate while any transactions instituted through the auction system will be translated at the auction rate.

Management is busy assessing the impact of the introduction of the new legal exchange mechanism along with auction system to determine the appropriate closing rate to be used for translation purposes into presentation currency and its impact on monetary items at the end of the reporting period.

SHAREHOLDERS' ANALYSIS

for the year ended 31 March 2022

SHAREHOLDER TYPE	Number of shareholders	% of total shareholders	Number of shares	% of total shares
Assurance Companies	45	0.62	10 396 556	6.15
Close Corporations	36	0.49	285 282	0.17
Collective Investment Schemes	314	4.31	67 423 996	39.88
Custodians	22	0.30	1 042 854	0.62
Foundations & Charitable Funds	36	0.49	1 518 769	0.90
Hedge Funds	7	0.10	1 685 140	1.00
Insurance Companies	8	0.11	208 628	0.12
Investment Partnerships	12	0.16	46 984	0.03
Managed Funds	34	0.47	391 220	0.23
Medical Aid Funds	27	0.37	1 261 778	0.75
Organs of State	9	0.12	34 187 706	20.22
Private Companies	147	2.02	2 078 071	1.23
Public Companies	6	0.08	287 797	0.17
Public Entities	4	0.05	244 835	0.14
Retail Shareholders	6 039	82.88	10 738 892	6.35
Retirement Benefit Funds	288	3.95	27 744 117	16.41
Scrip Lending	9	0.12	1 621 377	0.96
Share Schemes	1	0.01	1 025 700	0.61
Sovereign Funds	2	0.03	1 284 537	0.76
Stockbrokers & Nominees	19	0.26	1 779 826	1.05
Trusts	219	3.01	3 798 101	2.25
Unclaimed Scrip	2	0.03	7	0.00
Total	**7 286**	**100.00**	**169 052 173**	**100.00**

[1] In terms of section 56(3)(a) and (b) and Section 56(5)(a)(b) and (c) of the South African Companies Act, 2008 (Act No. 71 of 2008) foreign disclosures have been incorporated into this analysis.

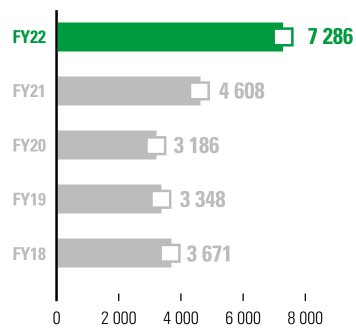
	Number of shareholders	% of total shareholders	Number of shares	% of total shares
NUMBER OF SHARES				
1 – 1 000	5 277	72.43	972 152	0.58
1 001 – 10 000	1 276	17.51	4 230 147	2.50
10 001 – 100 000	516	7.08	17 645 822	10.44
100 001 – 1 000 000	183	2.51	52 061 548	30.80
1 000 001 and more	34	0.47	94 142 504	55.69
Total	**7 286**	**100.00**	**169 052 173**	**100.00**
NON-PUBLIC/PUBLIC				
Non-public	15	0.21	38 337 261	22.68
Directors and Associates (excluding Employee Share Schemes)	9	0.12	3 133 523	1.85
Shareholder > 10% of the shares in issue				
Government Employees Pension Fund	4	0.06	33 085 933	19.57
Own Holdings (Omnia Group)	1	0.01	1 092 105	0.65
Employee Share Schemes	1	0.01	1 025 700	0.61
Public	7 271	99.79	130 714 912	77.32
Total	**7 286**	**100.000**	**169 052 173**	**100.000**

SHAREHOLDERS' ANALYSIS *continued*

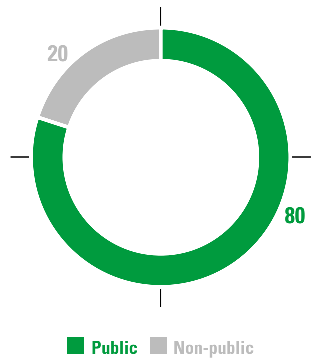
for the year ended 31 March 2022

DISTRIBUTION OF SHAREHOLDERS

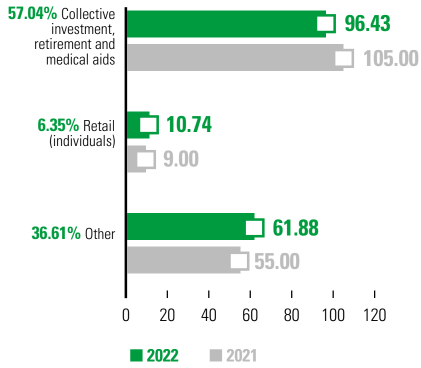
Number of shareholders



FY2022 public vs non-public
(%)



Type
(millions of shares)



	Number of shares	% of issued capital
Fund Managers > 5% of the issued shares		
Public Investment Corporation	**27 013 048**	**15.98**
M & G Investments	**24 695 070**	**14.61**
Camissa Asset Management	**23 434 418**	**13.86**
Old Mutual Investment Group	**15 724 239**	**9.30**
Allan Gray	**11 304 805**	**6.69**
Foord Asset Management	**10 097 808**	**5.97**
Total	**112 269 388**	**66.41**
Beneficial Shareholders > 5% of the issued shares		
Government Employees Pension Fund	**33 085 933**	**19.57**
Old Mutual Group	**14 449 212**	**8.55**
Foord	**8 745 713**	**5.17**
Total	**56 280 858**	**33.29**

SHAREHOLDERS' DIARY

Description	Date
Financial year-end	**31 March 2022**
Audited results announcement	**20 June 2022**
Dividend paid	**1 August 2022**
Integrated annual report	**29 July 2022**
Annual general meeting	**21 September 2022**
Interim results announcement	**22 November 2022**

CONTACT INFORMATION

Omnia Holdings Limited
(Incorporated in the Republic of South Africa)

Registration number 1967/003680/06

JSE code: OMN
LEI NUMBER: 529900T6L5CEOP1PNP91
ISIN: ZAE000005153
(Omnia or the Group)

Executive directors:
T Gobalsamy (chief executive officer), S Serfontein (finance director)

Non-executive directors:
R Havenstein (chair), Prof N Binedell, R Bowen (British), G Cavaleros, T Eboka, S Mncwango, T Mokgosi-Mwantembe, W Plaizier (Dutch), Z Swanepoel, R van Dijk

Company secretary:
M Nana

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Tip-offs anonymous:
omnia@tip-offs.com

Transfer secretaries:
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Auditors:
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5 Magwa Crescent
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Johannesburg, 2090
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FORWARD-LOOKING STATEMENTS

Throughout this report there are certain statements made that are "forward-looking statements". Any statements preceded or followed by, or that include the words "forecasts", "believes", "expects", "intends", "plans", "predictions", "will", "may", "should", "could", "anticipates", "estimates", "seeks", "continues", or similar expressions or the negative thereof, are forward-looking statements.

By their nature, forward-looking statements are speculative and allude to known and unknown risks, opportunities, macro-economic issues and any factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are not guarantees of future performance and reflect the Group's view at the date of publication of this report.

The Group is not obliged to publicly update or revise these forward-looking statements for events or circumstances occurring after the date of publication of this report.

Any forward-looking statement contained herein based on current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

Forward-looking statements should not be relied on because they involve uncertainties and known and unknown risks which risk factors are described throughout the commentary in this report, and include economic, business and political conditions in South Africa and elsewhere.

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