



RCL FOODS LIMITED

**NOTICE OF ANNUAL
GENERAL MEETING
AND SUMMARY OF
GROUP FINANCIAL
RESULTS**

FOR THE YEAR ENDED JUNE

2023

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AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

The Abridged Financial Statements for the year ended June 2023 have been included on pages 16 to 36 of this document.

The complete Annual Financial Statements is available for viewing and download on our website at

 www.rclfoods.com/financial-results-and-reports-2023/ from 29 September 2023.

OTHER DOCUMENTS IN THE SUITE OF REPORTS FOR THE YEAR ENDED JUNE 2023

- Abridged Integrated Annual Report
- Sustainable Business Report
- Annual Financial Statements
- Corporate Governance Report
- King IV Applications Register
- Remuneration Report

All of the above reports will be available for viewing and download on our website at

 www.rclfoods.com/financial-results-and-reports-2023/ from 29 September 2023.

These documents will not be posted to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

RCL FOODS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1966/004972/06

Share code: RCL

ISIN: ZAE000179438

("RCL FOODS" or "the Company" or "the Group")

Notice is hereby given that the 57th Annual General Meeting ("AGM") of shareholders of RCL FOODS will be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Thursday, 16 November 2023 at 08:30am subject to any cancellation, postponement or adjournment, to consider and, if deemed fit, to pass the ordinary and special resolutions set out in this notice of AGM ("Notice").

In terms of section 59(1)(a) of the Companies Act, No 71 of 2008, as amended, ("the Companies Act") the record date for the purpose of determining which shareholders of the Company are entitled to receive this Notice is Friday, 22 September 2023. In terms of section 59(1)(b) of the Companies Act, the record date for the purpose of determining which shareholders of the Company are entitled to attend, participate in and vote at the Annual General Meeting is Friday, 10 November 2023. Accordingly, the last day to trade in order to be registered in the securities register of the Company and therefore be eligible to attend, participate in and vote at the Annual General Meeting is Tuesday, 7 November 2023.

ORDINARY BUSINESS

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Company and the Group for the year ended June 2023, including the Report of the Directors, Report of the Audit Committee and the Independent Auditors Report are presented to shareholders in terms of the MOI, Companies Act and JSE Limited Listings Requirements. The auditors have issued an unqualified audit opinion in terms of the International Standards on Auditing. The Abridged Financial Statements are set out on pages 16 to 36. The complete audited  Annual Financial Statements are available on our website at www.rclfoods.com/financial-results-and-reports-2023/.

ORDINARY RESOLUTIONS

1. ELECTION AND RE-ELECTION OF DIRECTORS

ORDINARY RESOLUTION NUMBER 1.1

Resolved that Mr PR Louw, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 1.2

Resolved that Dr PM Mومakwa, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered herself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 1.3

Resolved that Mr GM Steyn, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 1.4

Resolved that Mr GC Zondi, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 1.5

Resolved that the appointment of Ms GP Dinga as a director of the Company, who was co-opted onto the board of directors ("Board") since the last Annual General Meeting, be and is hereby confirmed.

Biographical details of the above directors can be found on pages 10 and 11 of this Notice. The Board supports the re-election of all the aforementioned directors.

2. APPOINTMENT OF EXTERNAL AUDITORS

ORDINARY RESOLUTION NUMBER 2

Resolved that Ernst & Young Inc. (“EY”) (with Ms Merisha Kassie as the individual registered auditor who will perform the function of auditor) be and are hereby appointed as the company’s auditors.

ADDITIONAL INFORMATION

Shareholders are reminded that at the 2021 AGM, a non-binding advisory vote was passed endorsing the proposed appointment of EY as the Company’s auditors for the financial year ending June 2024.

3. ELECTION OF MEMBERS OF THE AUDIT COMMITTEE

ORDINARY RESOLUTION NUMBER 3.1

Resolved that, subject to the passing of ordinary resolution 1.5, Ms GP Dinga, an independent non-executive director of the Company, be elected as a member of the Audit Committee until the next Annual General Meeting.

ORDINARY RESOLUTION NUMBER 3.2

Resolved that, Mr NP Mageza, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

ORDINARY RESOLUTION NUMBER 3.3

Resolved that, Mr DTV Msibi, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

ORDINARY RESOLUTION NUMBER 3.4

Resolved that, subject to the passing of ordinary resolution 1.3, Mr GM Steyn, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

Biographical details of the above directors can be found on pages 10 and 11 of this Notice.

4. GENERAL AUTHORITY TO PLACE 10% OF THE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

ORDINARY RESOLUTION NUMBER 4

Resolved that the unissued ordinary shares in the authorised share capital of the Company be placed under the control of the directors, who are hereby authorised, by way of a general authority in terms of the Company’s Memorandum of Incorporation, to issue such shares at such times and upon such terms and conditions as they in their sole discretion may determine, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, to the extent applicable, provided that this approval shall be valid only until the next Annual General Meeting of the Company and that the aggregate number of ordinary shares to be allotted and issued in terms of this ordinary resolution number 4 is limited to 10% of the number of the unissued ordinary shares in the authorised share capital of the Company at the date of this Notice (being 110 989 477 ordinary shares).

EXPLANATION

Clause 6.7 of the Memorandum of Incorporation provides that the Board may resolve to issue authorised shares, but only to the extent that such issue has been approved by the shareholders in a general meeting, either by way of a general or specific authority. The purpose of Ordinary Resolution Number 4 is to provide such general authority, which shall remain subject to the provisions of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, to the extent applicable. The authority in terms of Ordinary Resolution Number 4 cannot be used to effect a specific issue for cash as contemplated in the JSE Listings Requirements.

5. ENABLING RESOLUTION

ORDINARY RESOLUTION NUMBER 5

Resolved that any director of the Company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of any of the ordinary and special resolutions adopted at the meeting.

6. NON-BINDING ADVISORY VOTE IN RESPECT OF THE REMUNERATION POLICY

ORDINARY RESOLUTION NUMBER 6

Resolved that the Remuneration Policy, as described in the Remuneration Report on pages 4 to 12, available on our website at www.rclfoods.com/financial-results-and-reports-2023/, is hereby endorsed by way of a non-binding advisory vote, as recommended in the King IV Report on Corporate Governance for South Africa 2016 (“King IV”).



7. NON-BINDING ADVISORY VOTE IN RESPECT OF THE REMUNERATION IMPLEMENTATION REPORT

ORDINARY RESOLUTION NUMBER 7



Resolved that the Implementation Report contained in the Remuneration Report on pages 13 to 15, available on our website at www.rclfoods.com/financial-results-and-reports-2023/, is hereby endorsed by way of a non-binding advisory vote, as recommended in King IV.

SPECIAL RESOLUTIONS

1. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

SPECIAL RESOLUTION NUMBER 1

Resolved as a special resolution (which will be in place for a period of two years from the date of adoption of this special resolution number 1) that the Board be and is hereby authorised, subject to section 44 of the Companies Act, the Memorandum of Incorporation of RCL FOODS and the JSE Listings Requirements, to authorise RCL FOODS to provide direct or indirect financial assistance as contemplated by section 44 of the Companies Act, by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by RCL FOODS, or any related or inter-related company, or for the purchase of any securities of RCL FOODS, or of any related or inter-related company, on the terms and conditions and for the amounts that the Board may determine.

EXPLANATION

Section 44 of the Companies Act empowers the board of a company to provide direct or indirect financial assistance for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related company or corporation pursuant to a special resolution of the shareholders of the Company adopted within the previous two years.

The reason for and effect of special resolution number 1 is to grant the directors of the Company the authority to enable the Company to provide financial assistance in appropriate circumstances. The financial assistance will be provided where the board of directors of the Company is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test, and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

2. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

SPECIAL RESOLUTION NUMBER 2

Resolved as a special resolution (which will be in place for a period of two years from the date of adoption of this special resolution number 2) that the Board may, subject to section 45 of the Companies Act, the Memorandum of Incorporation of RCL FOODS and the JSE Listings Requirements, authorise RCL FOODS to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation, on the terms and conditions and for the amounts that the Board may determine.

EXPLANATION

Section 45 of the Companies Act empowers the board of a company to authorise the company to provide financial assistance to related and inter-related companies and corporations pursuant to a special resolution of the shareholders of the company adopted within the previous two years. The Company and its subsidiaries provide loan financing, guarantees, and other support as envisaged in section 45 of the Companies Act, from time to time in the ordinary course of the Group's business.

The reason for and effect of special resolution number 2 is to enable the Company and its subsidiaries to effectively manage their internal financial administration. It would be impractical to obtain shareholder approval each time the Company wished to provide financial assistance as contemplated above. The financial assistance will be provided where the board of directors of the Company, is satisfied that immediately after providing the financial assistance, the solvency and liquidity test is satisfied, and that the terms under which the financial assistance is proposed to be given are fair and reasonable.

3. APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION

SPECIAL RESOLUTION NUMBER 3

Resolved as a special resolution that, the annual fees (excluding VAT where applicable), payable by the Company to its non-executive directors with effect from 1 October 2023 be approved as follows:

	Current Rands per annum	Proposed Rands per annum
Board		
Chairperson	374 059	396 503
Members	374 059	396 503
Audit Committee		
Chairperson	312 252	330 987
Members	156 894	166 308
Remuneration and Nominations Committee		
Chairperson	184 582	195 657
Members	115 363	122 285
Risk Committee		
Chairperson	184 582	195 657
Members	115 363	122 285
Social and Ethics Committee		
Chairperson	132 284	140 221
Members	79 986	84 785

EXPLANATION

Section 66(9) of the Companies Act provides that a company may pay remuneration to its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous two years.

The reason for and effect of special resolution number 3 is to grant the Company the authority to pay fees to its non-executive directors for their services as directors.

4. GENERAL AUTHORITY TO REPURCHASE SHARES

SPECIAL RESOLUTION NUMBER 4

Resolved as a special resolution that the Company and its subsidiaries be and are hereby authorised, by way of a general authority in terms of the JSE Listings Requirements, to acquire the Company's issued shares from time to time on such terms and conditions and in such amounts as the Board may determine, subject to the Companies Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements provided that:

1. this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this special resolution number 4, whichever period is shorter;
2. the ordinary shares be purchased through the order book operated by the JSE Limited trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
3. an announcement complying with paragraph 11.27 of the JSE Listings Requirements be made by the Company (i) when the Company and/or its subsidiaries have cumulatively acquired 3% of ordinary shares in issue as at the time when this general authority was given (the initial number) and (ii) for each 3% in aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
4. the acquisition of shares shall not in aggregate in any one financial year exceed 10% of the Company's issued ordinary share capital as at the beginning of the financial year, provided that in the case of acquisitions by subsidiaries, such acquisitions, together with shares held by all subsidiaries of the Company, shall be limited to an aggregate maximum of 10% (ten percent) of the Company's issued ordinary shares;
5. acquisitions may not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;

6. at any point in time the Company may only appoint one agent to effect any acquisition on the Company's behalf or on behalf of any subsidiary of the Company; and
7. the Company and its subsidiaries will not acquire ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of the shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme (as required by the JSE Listings Requirements) have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by the Company, prior to the commencement of the prohibited period to execute the repurchase programme.

STATEMENT OF THE BOARD'S INTENTION

The Board has no specific intention at present to use this authority to repurchase any of the Company's shares, however, the Board is of the opinion that this authority should be in place should it become appropriate, in its opinion, to undertake a share repurchase in the future.

STATEMENT BY THE DIRECTORS

In accordance with paragraph 11.26 of the JSE Listings Requirements, the board states that:

1. having considered the effect of the maximum number of ordinary shares that may be acquired pursuant to the general authority under special resolution number 4, a resolution has been passed by the Board authorising the repurchase and confirming that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group; and
2. having considered the effect of the maximum number of ordinary shares that may be acquired pursuant to the general authority under special resolution number 4, for a period of at least 12 months following the date of this Notice:
 - the Company and the Group will be able, in the ordinary course of business, to pay its debts;
 - the assets of the Company and the Group will exceed their liabilities. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited Annual Financial Statements;
 - the Company and the Group will have adequate share capital and reserves for ordinary business purposes; and
 - the working capital of the Company and the Group will be adequate for ordinary business purposes.

ADDITIONAL INFORMATION

For the purposes of considering this special resolution number 4 and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included on the pages indicated below:

- Major shareholders of the Company - page 12 of this Notice;
- Share capital of the Company - page 12 of this Notice;

The directors collectively and individually, accept full responsibility for the accuracy of the information contained in this special resolution number 4 and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in relation to this special resolution number 4 false or misleading, and that they have made all reasonable enquiries in this regard and that this special resolution number 4 contains all information required by law and the JSE Listings Requirements.

EXPLANATION

The purpose of special resolution number 4 is to grant a general authority for the Company or its subsidiaries to acquire ordinary shares in the Company on the terms and conditions and in such amounts to be determined from time to time by the Board, subject to the terms of this special resolution number 4.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolutions numbers 1 to 5 contained in this Notice require the approval of more than 50% of the voting rights exercised on each such resolution by Shareholders present or represented by proxy at the Annual General Meeting.

Ordinary resolutions numbers 6 and 7 contained in this Notice are non-binding advisory votes. In the event of either of the resolutions being voted against by 25% or more of the votes exercised on each such resolution by Shareholders present or represented by proxy at the Annual General Meeting, the Company shall engage with Shareholders as to the reasons therefore, as set out in the Remuneration Report available on our website at

www.rclfoods.com/financial-results-and-reports-2023/

Special resolutions numbers 1 to 4 contained in this Notice require the approval of at least 75% of the voting rights exercised on each such resolution by Shareholders present or represented by proxy at the Annual General Meeting.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their ordinary shares or who have dematerialised their ordinary shares with own name registration, are entitled to attend and to vote at the AGM. Any such Shareholder may appoint a proxy/proxies to attend, speak and vote in their stead (on a poll) at the AGM. A proxy need not be a Shareholder. Forms of proxy should be completed and returned to the transfer secretaries Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, or emailed to proxy@computershare.co.za to be received by 08:30am on Tuesday, 14 November 2023 for administrative purposes, or alternatively handed to the Company Secretary of the Company or the Chairperson of the Annual General Meeting in sufficient time prior to the appointed proxy exercising any of the Shareholder's rights at the AGM to enable the transfer secretaries to verify to their reasonable satisfaction the right of the person to attend at and participate in the meeting (in accordance with section 63(1) of the Companies Act).

Any ordinary shares held by a Company share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements. In terms of section 48(2)(b)(ii) of the Companies Act, no voting rights may attach to any shares held in treasury.

Voting will take place by way of a poll, and accordingly every Shareholder shall have one vote for every share held in the Company.

Shareholders who have dematerialised their ordinary shares other than with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions, or
- in the event that they wish to attend the AGM, to obtain the necessary authority to do so.

Shareholders or their proxies may participate in the AGM by electronic means, if they wish to do so must contact the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or proxy@computershare.co.za by no later than 08:30am on Tuesday, 14 November 2023, in order to enable the identity of the shareholder to be verified, and if verified further details on using the electronic communication facility will be provided. The costs of participation in the AGM by electronic communication will be for the expense of the Shareholders or their proxies, and by choosing to participate electronically the participant acknowledges that he/she will have no claim against the Company or its representatives arising out of the use of the electronic services and/or connections linking the participant to the AGM, or any failure thereof.

We encourage certificated Shareholders and dematerialised Shareholders with "own-name" registration attending either in-person or via electronic communication to cast their votes in respect of the resolutions set out in this Notice in advance by completing and returning a proxy form. This will ensure that your vote will be counted whether or not you attend the AGM.

PROOF OF IDENTIFICATION REQUIRED

The Companies Act requires that any person who wishes to attend or participate in a shareholders' meeting must present reasonably satisfactory identification at the meeting. Any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification for such shareholder or proxy to attend at and participate in the meeting. A valid identification document (green ID book or smart ID card) issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport will be accepted as sufficient identification.



Company Secretary

1 September 2023

Registered office

Ten The Boulevard Westway Office Park Westville, 3629

FORM OF PROXY

RCL FOODS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1966/004972/06

Share code: RCL

ISIN: ZAE000179438

("the Company")

This form of proxy is only for use by:

1. Registered shareholders who have not yet dematerialised their ordinary shares
2. Registered shareholders who have already dematerialised their ordinary shares and registered them in their own name*

* See explanatory note 3 overleaf

I/We _____ (name in block letters)

Of _____ (address)

Telephone number _____ Cellphone number _____

being a shareholder/shareholders of RCL Foods Limited (registration number: 1966/004972/06)

and the registered holder/s of _____ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairperson of the Annual General Meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting of the Company to be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Thursday, 16 November 2023 at 08:30am and at any postponement or adjournment thereof as follows:

ORDINARY RESOLUTIONS		For	Against	Abstain
1.	Election and re-election of directors			
1.1	Mr PR Louw			
1.2	Dr PM Moumakwa			
1.3	Mr GM Steyn			
1.4	Mr GC Zondi			
1.5	Ms GP Dinga			
2.	Appointment of external auditors			
3.	Election of members of the Audit Committee			
3.1	Ms GP Dinga			
3.2	Mr NP Mageza			
3.3	Mr DTV Msibi			
3.4	Mr GM Steyn			
4.	General authority to place 10% of the unissued ordinary shares under the control of the directors			
5.	Enabling resolution			
6.	Non-binding advisory vote in respect of the Remuneration Policy			
7.	Non-binding advisory vote in respect of the Remuneration Implementation Report			
SPECIAL RESOLUTIONS				
1.	General authority to provide financial assistance in terms of section 44 of the Companies Act			
2.	General authority to provide financial assistance in terms of section 45 of the Companies Act			
3.	Approval of non-executive directors' remuneration			
4.	General authority to repurchase shares			

(Indicate instructions to proxy by way of a cross in the space provided). Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this _____ day of _____ 2023.

Signature _____

(Please read the notes and instructions overleaf)

NOTES TO THE FORM OF PROXY

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. Satisfactory identification must be presented by any person wishing to attend the Annual General Meeting, as set out in the notice.
2. Every shareholder present in person or by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, each member shall be entitled to one vote in respect of each ordinary share held in the Company by him/her.
3. Shareholders with own name registration are shareholders who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the Company's securities register in their own names.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided on the form of proxy, with or without deleting "the Chairperson of the Annual General Meeting", but any such deletion must be initialled by the shareholder. Should this space be left blank, the shareholder's voting rights will be exercised by the Chairperson of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by the shareholder, in the appropriate spaces provided in the form of proxy. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting on each resolution as he/she thinks fit. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid, the completed form of proxy should be completed and returned to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, or emailed to proxy@computershare.co.za to be received by 08:30am on Tuesday, 14 November 2023 for administrative purposes, or alternatively handed to the company secretary or the Chairperson of the Annual General Meeting in sufficient time prior to the appointed proxy exercising any of the Shareholder's rights at the AGM, to enable the transfer secretaries to verify to their reasonable satisfaction the right of the person to attend at and participate in the meeting (in accordance with section 63(1) of the Companies Act).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairperson of the Annual General Meeting.
6. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The completion of any blank spaces on the form of proxy need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The provisions of the Companies Act in relation to the revocation of the appointment of a proxy apply. A shareholder may accordingly revoke a proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of such revocation to the proxy and the Company.
9. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a shareholder wishes to vote.

OUR LEADERS



EXECUTIVE DIRECTORS

1 PD (PAUL) CRUICKSHANK (49)

Chief Executive Officer

CA(SA)

Appointed: December 2021

Directorships: RCL Foods Limited and its subsidiary companies

Paul is a Chartered Accountant, and began his career as an auditor with Deloitte South Africa before joining Rainbow Chicken Limited in 2004 as Group Financial Manager. In his 19 years with RCL FOODS he has gained extensive experience in commercial, supply chain and operational directorship roles across the business, culminating in his current position.

2 RH (ROB) FIELD (52)

Chief Financial Officer

CA(SA)

Appointed: July 2004

Directorships: RCL Foods Limited and its subsidiary companies

Rob is a Chartered Accountant who qualified with Deloitte & Touche in Durban. Prior to joining Rainbow Chicken Limited in May 2003, he spent four years as Commercial Director of Robertsons Homecare Proprietary Limited.

OUR LEADERS CONTINUED



NON-EXECUTIVE DIRECTORS

3 JJ (JANNIE) DURAND (56)

Non-executive Chairman

BAcc (Hons), MPhil (Oxon), CA(SA)

Appointed: March 2010

Directorships: Chief Executive Officer of Remgro Limited. He also serves as a non-executive director on a number of companies including Distell Group Limited; Rand Merchant Investment Holdings Limited, where he serves as Chairman; and Mediclinic International Limited where he serves as a non-executive director.

Jannie is a Chartered Accountant and holds a M.Phil. in Management Studies from Oxford University. Previously, he served as the Chief Investment Officer of Remgro Limited, as well as the Financial Director and Chief Executive Officer of VenFin Limited. Prior to his appointment as Chairman, Jannie has served as Chairperson of the Board since June 2012.

4 HJ (HEIN) CARSE (62)

Non-executive director

M Eng (US), MBA (UP)

Appointed: February 2013

Directorships: Air Products SA Proprietary Limited, eMedia Investments Proprietary Limited, Seacom Limited, Historical Homes of South Africa Limited

Hein joined Rupert International in 1996 and continued to serve the Remgro Group as an investment executive, first of VenFin Limited and then Remgro Limited. He has gained extensive knowledge through holding positions on various boards and committees during his career.

5 GP (GUGU) DINGAAN (47)

Independent non-executive director

BCom (Acc), Post Graduate Diploma in Accounting, CA(SA)

Appointed: November 2022

Directorships: Various of WIPHOLD's investee companies

Gugu is a Chartered Accountant and holds executive development certificates from Stellenbosch Business School and INSEAD. Gugu is an investment executive at WIPHOLD, and has experience in corporate finance and investments spanning over 20 years.

6 GCJ (KEES) TIELENIUS KRUYTHOFF (55)*

Independent non-executive director

Business Economics (Erasmus University, Rotterdam, Netherlands)

Appointed: April 2020

Directorships: Past Chairman and Chief Executive Officer for The LIVEKINDLY Collective, Chairman of MrGreenAfrica, Senior Advisor Bain Capital, Executive Chairman Nicoya, Founder: Imagine

Kees is a uniquely global leader with extensive experience in brand building, strategic direction and performance management, and strategically repositioning businesses for growth. He is a passionate believer in business as a force for good and is committed to global food transformation. He was previously General Manager of Unilever South Africa, General Manager of Unilever Brazil, President of Unilever North America and President of Unilever Home Care Division.

*Dutch

7 PR (PIETER) LOUW (54)

Non-executive director

CA(SA)

Appointed: December 2008

Directorships: Various wholly-owned subsidiaries within the Remgro Group and Heineken Beverages

Pieter is a Chartered Accountant who qualified with Pricewaterhouse Coopers Inc. in Stellenbosch, before joining the Remgro Group in 2001. He is currently Head of Corporate Finance.

8 NP (PETER) MAGEZA (68)

Independent non-executive director

ACCA (UK)

Appointed: September 2009

Directorships: Anglo American Platinum Limited, Remgro Limited, SAPPI Limited.

Peter was formerly the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors.



9 PM (PENNY) MOUMAKWA (59)



Independent non-executive director

MBChB, MAP (Wits), GMP (Harvard)

Appointed: January 2019

Directorships: Mohau Equity Partners, Growthpoint Healthcare Properties, Clicks Group and Wits Donald Gordon Medical Centre

Penny is the Chief Executive Officer and Founder of Mohau Equity Partners, a long-term investment vehicle, in partnership with Discovery.

Previously she worked in multiple senior executive roles within Discovery and served on the Central Executive Committee as well as on the board of Discovery Health.

10 DTV (DERRICK) MSIBI (54)



Independent non-executive director

BBusSc (Hons), BCom (Hons), MCom, CA(SA)

Appointed: August 2013

Directorships: STANLIB Asset Management Proprietary Limited, STANLIB Wealth Proprietary Limited, STANLIB Collective Investments Proprietary Limited, Real People Investment Holdings Proprietary Limited, Real People Assurance Company Limited and Bakwena Platinum Concessionaire Company Proprietary Limited

Derrick is currently Chief Executive Officer of STANLIB Asset Management and Executive for the Asset Management Cluster of Liberty Group Holdings Limited. He previously served as the managing director of Investment Solutions (now known as Alexander Forbes Investments), the investment services arm of the Alexander Forbes Group from 2009 to 2017. He was also joint head/leader of the Institutional Business Cluster of the Alexander Forbes Group. Derrick, a Chartered Accountant, serves on the boards and committees of entities forming the Asset Management Cluster of the Liberty Group. He is an independent investment committee member of Trinitas Private Equity Fund and was previously a board member of TSIBA Education, a scholarship-only tertiary institution registered with the Department of Higher Education.

11 GM (GEORGE) STEYN (64)



Independent non-executive director

BA (Law) LLB

Appointed: August 2013

Directorships: Du Toit Group Proprietary Limited (Chairman) and Kaap Agri Limited (Chairman)

George has extensive experience in the retail sector, having joined the Pepkor Group in 1986 and has served as an Executive Director of Pep Retail Limited and Pepkor Retail Limited from 1991 to 2005, and as Managing Director from 2005 to 2011. He served as a non-executive director of Pepkor Retail Limited until 2015. George also farms in the Karoo and is actively involved in the broader community, and served as Chairman of Stellenbosch University Council for more than ten years.

12 GC (GCINA) ZONDI (50)



Independent non-executive director

BCompt (Hons), AGA (SA)

Appointed: July 2008

Directorships: Imbewu Capital Partners, Isegen South Africa, Container Conversions, Icon Construction, International Facilities Services (SA), NPC-Intercement and Hulamin Limited

Gcina is the founding chief executive and shareholder of Imbewu Capital Partners. He is a qualified General Accountant and is an associate of the South African Institute of Chartered Accountants. He has more than 23 years experience in the private equity industry, of which six years were spent with Nedbank Capital Private Equity as a Private Equity Manager. Prior to joining Nedbank, Gcina completed his articles of clerkship at KPMG Durban and worked for Hulamin Limited in the finance division for two and a half years prior to joining KPMG.

13 PJ (PAUL) NEETHLING (38)

Alternate non-executive director

Alternate to JJ Durand

BCom (Hons)

Appointed: June 2019

Directorships: Remgro Limited

He served as an investment executive at Remgro Management Services and has a BCom (Hons) in Financial and Investment Management. He also serves as a director on various agricultural, wine and distribution businesses.

SHARE AND SHAREHOLDERS INFORMATION

FOR THE YEAR ENDED JUNE 2023

STATED CAPITAL

Authorised	2 000 000 000
Issued	890 096 721
Number of shareholders	9 653

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 - 1 000	8 225	85.21	854 684	0.10
1 001 - 10 000	1 037	10.74	4 019 156	0.45
10 001 - 100 000	287	2.97	9 058 515	1.02
100 001 - 1 000 000	83	0.86	28 316 087	3.18
1 000 001 and over	21	0.22	847 848 279	95.25
Total	9 653	100.00	890 096 721	100.00
Distribution of shareholders				
Banks	16	0.17	6 063 096	0.68
Brokers	9	0.09	5 358 962	0.60
Close Corporations	26	0.27	1 046 028	0.12
Endowment Funds	6	0.06	746 443	0.08
Holding Company	2	0.02	714 057 943	80.22
Individuals	9 112	94.40	17 150 286	1.93
Insurance Companies	14	0.15	3 309 740	0.37
Investment Companies	8	0.08	216 291	0.02
Mutual Funds	96	0.99	101 492 096	11.40
Nominees and Trusts	206	2.13	2 551 119	0.29
Other Corporations	16	0.17	27 003	0.01
Pension Funds	38	0.39	35 967 415	4.04
Private Companies	104	1.08	2 110 299	0.24
Total	9 653	100.00	890 096 721	100.00
Public and non-public shareholders				
Holding Company	2	0.02	714 057 943	80.22
Directors and associates of the Company holdings	3	0.03	2 123 227	0.24
Total non-public shareholders	5	0.05	716 181 170	80.46
Public shareholders	9 648	99.95	173 915 551	19.54
Total	9 653	100.00	890 096 721	100.00
Beneficial shareholders' holding of 1% or more				
Remgro Limited			713 902 129	80.21
Oasis Crescent Equity Fund			35 803 734	4.02
Government Employees Pension Fund			27 739 062	3.12
M&G SA Equity Fund			16 900 010	1.90
Alexforbes Investments Solution Limited			9 768 953	1.10
Fund managers holdings of 1% or more				
Remgro Limited			714 057 943	80.22
Oasis Asset Management Limited			79 032 171	8.88
MandG Investment Managers Proprietary Limited			46 441 005	5.22
Ninety One SA Proprietary Limited			12 511 397	1.41

REPORT OF THE AUDIT COMMITTEE

This report sets out how the Audit Committee discharged its responsibilities during the financial year ended June 2023 as required in terms of section 94 of the Companies Act.

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Audit Committee are incorporated into the Committee's charter which is reviewed annually and approved by the Board. The Committee has conducted its affairs in compliance with this charter and has discharged its responsibilities contained therein.

A copy of the charter can be found on our website at www.rclfoods.com/governance/corporate-governance/governance-documents

AUDIT COMMITTEE MEMBERSHIP AND RESOURCES

The Audit Committee consists of four independent non-executive directors, and the Chairman of the Risk Committee (*ex-officio*), Mr GC Zondi. Mrs CJ Hess retired on 9 November 2022 and Ms GP Dingaana was appointed to the Board, and as the Chairperson of the Committee. All members of the Committee have the requisite financial literacy, knowledge and commercial skills and experience to contribute effectively to committee deliberations.

The Committee met four times during the year as per the Audit Committee charter. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Audit Director (IAD), Group Finance Director (FD) and the external audit partners attend meetings by invitation. Other members of the Board and management team attend as required. The Committee meets separately with the external and internal auditors at least once a year without management present, to ensure that all relevant matters have been identified and discussed without undue influence.

Members		Appointed	25/08/2022	02/09/2022	02/03/2023	22/06/2023
GP Dingaana*	BCom (Acc), HDip (Acc), CA(SA)	November 2022	N/A	N/A	Present	Present
CJ Hess*	BCom, PGDA, CA(SA)	June 2018	Present	Present	Retired	Retired
NP Mageza	ACCA (UK)	September 2009	Present	Present	Present	Present
DTV Msibi	BBusSc, BCom (Hons), MCom, CA(SA)	August 2013	Present	Present	Present	Present
GM Steyn	BA (LLB)	March 2019	Present	Present	Present	Present
GC Zondi#	BCompt (Hons), AGA(SA)	July 2018	Present	Present	Present	Present

* Committee Chairperson.

Ex officio member.

ELECTION OF COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act, it was resolved at the Annual General Meeting held on 9 November 2022 that NP Mageza, DTV Msibi and GM Steyn be re-appointed as members of the Audit Committee until the next Annual General Meeting on 16 November 2023.

ROLES AND RESPONSIBILITIES

The Audit Committee's roles and responsibilities include its statutory duties per the Companies Act and the responsibilities assigned to it by the Board. The Audit Committee fulfils an oversight role regarding integrated reporting, ensures application of the combined assurance model, reviews the finance function, forms an integral component of the risk management process and provides oversight of both external audit and internal audit.

The Audit Committee has discharged its key responsibilities as follows:

- Reviewed the interim results, year-end financial statements and Integrated Annual Report, in the course of its review, the Committee:
 - » Took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS);
 - » Considered and, when appropriate, made recommendations on financial statements, accounting practices and internal financial controls;
 - » Ensured that the Group has established appropriate financial reporting procedures and that those procedures operate effectively;
 - » Ensured that sustainability disclosures did not conflict with the financial information; and
 - » Took into consideration the process of proactive monitoring of financial statements for compliance with IFRS in terms of the JSE proactive monitoring report;
- Provide oversight in respect of financial reporting risks, internal financial controls, fraud risk and IT risk as it relates to financial reporting;
- Confirmed the Internal Audit charter and internal audit plan;
- Reviewed the appropriateness of the combined assurance model in addressing all significant risks facing the Group;
- Considered and recommended to the Board the appointment and retention of external auditors, and the external audit partner, in line with applicable legislation;
- Approved the audit fees and engagement terms of the external auditors; and
- Determined the nature and extent of allowable non-audit services, and approved the terms for the provision of non-audit services, by the external auditors.

EXPERTISE AND EXPERIENCE OF THE CFO AND FINANCE FUNCTION

The Audit Committee performed an assessment of the CFO, Robert Field, and the Finance function. Based on the 2023 assessment, the Audit Committee is satisfied that Robert Field and his management team have the appropriate expertise and experience to service the Group's Finance function. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the Group's Finance function. The Annual Financial Statements were compiled under the supervision of Robert Field, CA(SA).

EXTERNAL AUDIT

PricewaterhouseCoopers Inc. (PwC) are the incumbent auditors for the Group for 2023. The Committee continually monitors the independence and objectivity of the external auditors, and satisfied itself in relation to the ethical requirements. PwC was considered independent with respect to the Group as required by the Codes endorsed and administered by the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants. The Committee has satisfied itself that the external auditors' appointment of Rodney Klute as designated auditor complies with the JSE Listings Requirements, and that he is within his tenure and rotation requirements.

The Committee has reviewed the external audit process and has satisfied itself with the performance of the external auditors.

During the period, PwC provided certain non-audit services, including tax services and agreed-upon procedures compliance audits. Total fees incurred during the 2023 financial year to PwC were R24,9 million (2022: R26,2 million), R5,4 million (2022: R2,3 million) of which related to non-audit services.

Ernst & Young Inc (EY) conducted the external audit for certain subsidiaries of the Group for the year ended June 2023. Total fees incurred during the 2023 financial year to EY were R3,9 million.

The Group has defined levels of authority which require final approval for all non-audit services by the Audit Committee.

The Group will propose a resolution at the Annual General Meeting to rotate external auditors for the 2024 financial year. This follows the non-binding advisory vote which was passed at the 2021 AGM endorsing the potential appointment of EY as the Company's external auditor for the 2024 financial year. The Audit Committee has nominated, for appointment at the Annual General Meeting, EY as the external audit firm responsible for performing the functions of external auditor for the 2024 financial year.

The Audit Committee has requested the information detailed in section 22.15(h) of the JSE Listings Requirements from EY. The Audit Committee has satisfied itself that the audit firm and the designated auditor are accredited as such on the JSE list of auditors and has considered the information provided by EY in terms of section 22.15(h) of the JSE Listings Requirements in its assessment. During the year, the audit partner from EY has attended meetings of the Committee by invitation.

INTERNAL AUDIT

The Audit Committee is responsible for ensuring that the RCL FOODS' Internal Audit function is independent and has the necessary resources and authority to enable it to discharge its duties.

Internal Audit comprises a dedicated team of appropriately qualified and technically experienced personnel. Where necessary, certain audits are outsourced to consultants with appropriate skills and technical expertise. The activities of the Internal Audit function are co-ordinated by the Internal Audit Director (IAD). To ensure independence, the IAD reports functionally to the Audit Committee and, only from an administrative perspective, to the CEO. The Committee reviewed the performance of the IAD and was satisfied that he has the necessary expertise and experience to fulfil this role and that he had performed appropriately during the year under review.

INTERNAL FINANCIAL CONTROLS

The Committee is satisfied that the Group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. This is based on the review of the design, implementation and effectiveness of the Group's system of internal financial controls conducted by the Internal Audit function during the year under review, and reports made by the independent external auditors on the results of their audit, and management reports. No findings have come to the attention of the Committee to indicate that any material breakdown in internal controls has occurred during the past financial year.

GOING CONCERN ASSESSMENT

The Audit Committee reviewed a documented assessment by management of the going concern premise of the Company and the Group before concluding to the Board that the Company and the Group will be a going concern in the foreseeable future.



GP Dinga

Audit Committee Chairperson

1 September 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2 July 2023 R'000	3 July 2022 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	5 944 523	6 362 040
Right-of-use assets	404 680	524 583
Intangible assets	1 621 858	1 602 581
Investment in joint ventures	211 240	307 135
Investment in associates	942 333	822 991
Deferred income tax asset	42 289	45 435
Loans receivable	12 000	31 095
Trade and other receivables		26 289
Investment in financial asset	149 936	241 976
Goodwill	1 950 551	1 885 590
	11 279 410	11 849 715
Current assets		
Inventories	3 722 105	3 147 177
Biological assets	1 317 386	1 231 829
Trade and other receivables	2 157 318	6 099 577
Derivative financial instruments	28 144	4 597
Tax receivable	14 761	18 997
Loans receivable	59 233	
Cash and cash equivalents	224 373	1 590 267
	7 523 320	12 092 444
Assets of disposal group classified as held for sale	6 498 631	33 135
Total assets	25 301 361	23 975 294
EQUITY		
Capital and reserves	11 721 305	11 389 332
LIABILITIES		
Non-current liabilities		
Deferred income	3 277	4 474
Interest-bearing liabilities	371 066	1 538 829
Lease liabilities	436 134	730 482
Deferred income tax liabilities	1 006 332	1 040 157
Retirement benefit obligations	65 974	115 725
Trade and other payables	10 858	
	1 893 641	3 429 667
Current liabilities		
Trade and other payables	4 594 257	7 800 799
Deferred income	2 211	2 768
Interest-bearing liabilities	1 963 037	1 111 475
Lease liabilities	160 255	155 130
Derivative financial instruments	3 670	2 018
Current income tax liabilities	100 894	58 629
Bank overdraft	865 000	24 459
	7 689 324	9 155 278
Liabilities of disposal group classified as held for sale	3 997 091	1 017
Total liabilities	13 580 056	12 585 962
Total equity and liabilities	25 301 361	23 975 294

CONSOLIDATED INCOME STATEMENT

	Year ended June 2023 R'000	*Restated Year ended June 2022 R'000
Continuing operations		
Revenue from contracts with customers	37 782 948	32 200 777
Operating profit before depreciation, amortisation and impairments** (EBITDA)	1 711 457	2 265 370
Depreciation, amortisation and impairments**	(924 725)	(798 853)
Operating Profit	786 732	1 466 517
Finance costs	(376 069)	(241 019)
Finance income	38 726	39 475
Share of profits of joint ventures	36 185	26 113
Share of profits of associates	193 360	17 752
Profit before tax	678 934	1 308 838
Income tax expense	(242 325)	(394 904)
Profit for the period from continuing operations	436 609	913 934
Profit for the period from discontinued operation	76 299	63 750
Profit for the period	512 908	977 684
Attributable to:		
Equity holders of the Company	616 237	1 013 361
- from continuing operations	542 788	951 066
- from discontinued operation	73 449	62 295
Non-controlling interests	(103 329)	(35 677)
- from continuing operations	(106 179)	(37 132)
- from discontinued operation	2 850	1 455
HEADLINE EARNINGS		
Continuing operations		
Profit for the period attributable to equity holders of the Company	542 788	951 066
Profit on disposal of property, plant and equipment and assets held for sale	(25 975)	(9 614)
Loss on disposal of property, plant and equipment and assets held for sale	24 447	10 260
Insurance proceeds	(29 634)	(597)
Impairments of fixed assets and intangibles	35 842	41 971
Change in ownership of associate		(2 768)
(Profit)/loss on disposal of property, plant and equipment included in equity-accounted earnings of associates	(201)	927
Foreign currency translation reserve recycled into profit and loss	(9 654)	
Loss on disposal of associate	1 955	
Headline earnings from continuing operations	539 568	991 245
HEADLINE EARNINGS		
Discontinued operation		
Profit for the period attributable to equity holders of the Company	73 449	62 295
Profit on disposal of property, plant and equipment and assets held for sale	(6 332)	(10 336)
Loss on disposal of property, plant and equipment and assets held for sale	1 493	6 447
Insurance proceeds		(65)
Impairments of fixed assets and intangibles		4 386
Headline earnings from discontinued operation	68 610	62 727
Headline earnings from total operations	608 178	1 053 972

* The prior year numbers have been restated as required by IFRS 5 to reflect the Vector Logistics segment as a discontinued operation.

** Impairments relate only to impairments of property, plant and equipment, goodwill and intangible assets.

CONSOLIDATED INCOME STATEMENT CONTINUED

	Year ended June 2023 Cents	*Restated Year ended June 2022 Cents
Earnings per share from continuing and discontinued operations attributable to equity holders of the Company		
Basic earnings per share	69.3	114.0
- from continuing operations	61.0	107.0
- from discontinued operation	8.3	7.0
Basic earnings per share - diluted	68.7	113.1
- from continuing operations	60.5	106.1
- from discontinued operation	8.2	7.0
Headline earnings per share	68.3	118.6
- from continuing operations	60.6	111.5
- from discontinued operation	7.7	7.1
Headline earnings per share - diluted	67.8	117.6
- from continuing operations	60.2	110.6
- from discontinued operation	7.6	7.0

* The prior year numbers have been restated as required by IFRS 5 to reflect the Vector Logistics segment as a discontinued operation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended June 2023 R'000	*Restated Year ended June 2022 R'000
Profit for the period from continuing operations	436 609	913 934
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurement of retirement medical obligations – net of tax	8 575	(1 246)
Share of associates other comprehensive income	229	1 354
<i>Items that may subsequently be reclassified to profit and loss</i>		
Currency translation differences	7 102	1 674
Foreign currency translation reserve recycled into profit and loss	(9 654)	(182)
Other comprehensive income for the period – net of tax	6 252	1 600
Total comprehensive income for the period – continuing operations	442 861	915 534
Total comprehensive income for the period attributable to:		
Equity holders of the Company – continuing operations	549 040	952 666
Non-controlling interests – continuing operations	(106 179)	(37 132)
	442 861	915 534
Profit for the period from discontinued operation	76 299	63 750
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurement of retirement medical obligations – net of tax	1 738	(398)
<i>Items that may subsequently be reclassified to profit and loss</i>		
Currency translation differences	3 059	954
Other comprehensive income for the period – net of tax	4 797	556
Total comprehensive income for the period – discontinued operation	81 096	64 306
Total comprehensive income for the period attributable to:		
Equity holders of the Company – discontinued operation	77 938	63 459
Non-controlling interests – discontinued operation	3 158	847
	81 096	64 306

* The prior year numbers have been restated as required by IFRS 5 to reflect the Vector Logistics segment as a discontinued operation.

CONSOLIDATED CASH FLOW INFORMATION

	June 2023 R'000	*Restated June 2022 R'000
OPERATING PROFIT	786 732	1 466 517
Non-cash items	762 646	494 405
OPERATING PROFIT BEFORE WORKING CAPITAL REQUIREMENTS	1 549 378	1 960 922
Working capital requirements		
Movement in inventories	(649 529)	85 099
Movement in biological assets	247 719	83 468
Movement in trade and other receivables	(33 576)	(30 472)
Movement in trade and other payables	(52 716)	964 453
CASH GENERATED BY OPERATIONS	1 061 276	3 063 470
Net finance cost	(298 730)	(202 427)
Tax paid	(292 344)	(337 951)
CASH AVAILABLE FROM OPERATING ACTIVITIES	470 202	2 523 092
Dividend received	40 876	66 392
Dividends paid	(268 939)	(402 876)
Net cash inflow from operating activities – continuing operations	242 139	2 186 608
Net cash (outflow)/inflow from operating activities – discontinued operation	(197 158)	343 990
Net cash inflow from operating activities	44 981	2 530 598
Cash flows from investing activities		
Replacement property, plant and equipment	(828 487)	(657 909)
Expansion property, plant and equipment	(306 864)	(448 150)
Intangible asset additions	(25 174)	(25 662)
Acquisition of business	(214 892)	(7 024)
Receipts from loans receivable	6 000	13 277
Advances of interest-bearing loans	(76 370)	(2 998)
Proceeds on disposal of property, plant and equipment and intangible assets	19 483	21 380
Net cash outflow from investing activities – continuing operations	(1 426 304)	(1 107 086)
Net cash outflow from investing activities – discontinued operation	(178 591)	(148 967)
Net cash outflow from investing activities	(1 604 895)	(1 256 053)
Cash flows from financing activities		
Repayments of interest-bearing liabilities	(554 027)	(607 978)
Advances of interest-bearing liabilities (including bank overdraft in the current year)	940 941	152 609
Additional capital contribution by non-controlling interest	8 692	
Repurchase of shares	(2 204)	
Net cash inflow/(outflow) from financing activities – continuing operations	393 402	(455 369)
Net cash outflow from financing activities – discontinued operation	(125 553)	(150 487)
Net cash inflow/(outflow) from financing activities	267 849	(605 856)
Net movement in cash and cash equivalents	(1 292 065)	668 689
Cash and cash equivalents at the beginning of the period	1 565 808	896 969
Exchange rate translation from discontinued operation	1 874	150
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD¹	275 617	1 565 808

* The prior year numbers have been restated as required by IFRS 5 to reflect the Vector Logistics segment as a discontinued operation.

¹ Includes cash and cash equivalents disclosed as part of the disposal group held for sale at 2 July 2023 and excludes bank overdraft deemed a financing activity in the current financial year. The cash and cash equivalents at the end of the period of R275,6 million consists of R224,4 million as reported on the Statement of Financial Position and R51,2 million related to the Vector Logistics segment which has been classified as a disposal group held for sale at year-end.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company						Total R'000
	Stated capital R'000	Share-based payments R'000	Other reserves R'000	Common control reserve R'000	Retained earnings R'000	Controlling interest total R'000	
Balance at 4 July 2021	10 318 079	776 223	(1 059)	(1 919 832)	1 556 095	10 729 506	10 693 667
Profit for the period							
- from continuing operations					951 066	951 066	913 934
- from discontinued operation					62 295	62 295	63 750
Other comprehensive income for the period					108	1 600	1 600
- from continuing operations			1 492		(398)	1 164	556
- from discontinued operation			1 562			9 694	9 694
BEE share-based payments charge		9 694					
Employee share option scheme:							
Value of employee services		93 653				93 653	93 653
Equity component of tax on share-based payments		231				231	231
Exercise of employee share options	16 057	(16 057)					
Shareholder loans converted to equity					(399 926)	(399 926)	15 123
Ordinary dividend paid							(402 876)
Balance at 3 July 2022	10 334 136	863 744	1 995	(1 919 832)	2 169 240	11 449 283	11 389 332
Profit for the period							
- from continuing operations					542 788	542 788	436 609
- from discontinued operation					73 449	73 449	76 299
Other comprehensive income for the period					8 804	6 252	6 252
- from continuing operations			(2 552)		1 738	4 797	5 105
- from discontinued operation			3 059			(2 204)	(2 204)
Shares repurchased	(2 204)						
Employee share option scheme:							
Value of employee services		70 390				70 390	70 390
Equity component of tax on share-based payments		(231)				(231)	(231)
Exercise of employee share options	8 833	(8 833)					
Additional capital contribution by non-controlling interest					(267 039)	(267 039)	8 692
Ordinary dividend paid							(1 900)
Balance at 2 July 2023	10 340 765	925 070	2 502	(1 919 832)	2 528 980	11 877 485	11 721 305

SUPPLEMENTARY INFORMATION

		June 2023 R'000	*Restated June 2022 R'000
Capital expenditure contracted and committed – continuing operations		327 375	879 766
Capital expenditure approved but not contracted – continuing operations		361 640	278 677
Capital expenditure contracted and committed – discontinued operation		86 458	142 971
Capital expenditure approved but not contracted – discontinued operation		44 729	82 834
STATISTICS			
Statutory ordinary shares in issue (includes B-BBEE shares in the prior year only)	(000's)	890 097	953 298
Ordinary shares in issue for accounting purposes	(000's)	890 097	889 468
Weighted average ordinary shares in issue	(000's)	889 990	888 700
Diluted weighted average ordinary shares in issue	(000's)	896 873	896 367
Net asset value per share	(cents)	1 316.9	1 280.5
Ordinary dividends per share:			
Interim dividend declared	(cents)	nil	15.0
Final dividend declared	(cents)	nil	30.0
Total dividends	(cents)	nil	45.0

* The prior year numbers have been restated to reflect the Vector Logistics segment separately.

SEGMENTAL ANALYSIS

	June 2023 R'000	*Restated June 2022 R'000
Continuing Operations		
Revenue from contracts with customers	37 782 948	32 200 777
RCL FOODS Value-Added Business	24 761 037	21 155 856
Groceries	5 034 203	4 731 888
Baking	8 625 417	7 422 627
Sugar	11 101 417	9 001 341
Rainbow Group [#]	13 463 861	11 384 801
Sales between segments:		
Groceries sales to Baking	(7 999)	(7 769)
Groceries sales to Sugar	(3 064)	(9 498)
Groceries sales to Rainbow	(226 648)	(132 627)
Groceries sales to Group	(1 925)	(940)
Baking sales to Groceries	(79 192)	(74 024)
Baking sales to Sugar	(1 813)	(1 076)
Baking sales to Rainbow	(152 480)	(128 640)
Sugar sales to Groceries	(95 263)	(83 220)
Sugar sales to Baking	(34 749)	(54 133)
Sugar sales to Rainbow	(6 673)	(4 843)
Rainbow sales to Groceries	(22 768)	(25 747)
Rainbow sales to Sugar	(7 286)	(7 070)
Operating profit before depreciation, amortisation and impairments⁺ (EBITDA)	1 711 457	2 265 370
RCL FOODS Value-Added Business	1 796 602	1 854 933
Groceries	389 286	481 587
Baking	527 879	556 384
Sugar	879 437	816 962
Rainbow Group ^z	34 814	347 111
Unallocated restructuring costs	(63 847)	82 762
Depreciation, amortisation and impairments ⁺	(56 112)	(19 436)
Operating profit	(924 725)	(798 853)
RCL FOODS Value-Added Business	786 732	1 466 517
Groceries	1 177 216	1 436 936
Baking	282 853	271 342
Sugar	302 065	348 388
Rainbow Group ^z	592 298	817 206
Unallocated restructuring costs	(235 300)	89 667
Finance costs	(99 072)	25 437
Finance income	(56 112)	(85 523)
Share of profits of joint ventures	(376 069)	(241 019)
Sugar	38 726	39 475
Share of profits/(loss) of associates	36 185	26 113
Sugar	36 185	26 113
Sugar	193 360	17 752
Livekindly Collective Africa	186 717	29 226
Ugandan Operation	1 741	(6 745)
	4 902	(4 729)
Profit before tax	678 934	1 308 838

* The results for the Groceries and Baking segments in the comparative periods have been restated to reallocate the Pies operating unit, which now forms part of Baking for segmental reporting purposes. The Pies operating unit was previously included as part of the Groceries segment. The prior year numbers have been restated as required by IFRS 5 to reflect Vector Logistics as a discontinued operation.

[#] Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited and Livekindly Collective Africa Proprietary Limited.

⁺ Impairments relate only to impairments of property, plant and equipment, right-of-use assets, goodwill and intangible assets.

^z Includes the operating costs of RCL Foods Limited and RCL Group Services Proprietary Limited (shared services portion only), the fair value and foreign exchange adjustments relating to the Group's investment in The LIVEKINDLY Collective, losses/gains on the Group's self-insurance arrangement and profit from management fees earned on shared services functions for Siqalo Foods Proprietary Limited and Livekindly Collective Africa Proprietary Limited.

SEGMENTAL ANALYSIS CONTINUED

	June 2023 R'000	June 2022 R'000
Discontinued Operation¹		
Revenue from contracts with customers ²	3 066 587	2 706 195
Operating profit before depreciation, amortisation and impairments⁺ (EBITDA)	315 176	330 286
Depreciation, amortisation and impairments ⁺	(154 602)	(190 988)
Operating profit	160 574	139 298
Finance costs	(111 123)	(93 041)
Finance income	31 067	23 359
Share of profits of joint venture	12 333	12 791
Profit before tax	92 851	82 407

¹ Relates to the Vector Logistics segment.

² Excludes intercompany revenue which has been eliminated in accordance with the Group accounting policies.

⁺ Impairments relate only to impairments of property, plant and equipment, right-of-use assets, goodwill and intangible assets.

	2 July 2023 R'000	3 July 2022 R'000
ASSETS		
Groceries [^]	3 199 393	3 106 529
Baking [^]	5 553 007	5 078 939
Sugar	5 216 967	4 685 752
Rainbow	6 547 735	5 804 772
Unallocated Group assets ^v	612 216	1 775 249
Livekindly Collective Africa	151 284	149 884
Set-off of inter-segment balances	(2 451 069)	(2 441 895)
Vector Logistics ¹		5 816 064
Total per statement of financial position – continuing operations	18 829 533	23 975 294
Vector Logistics ¹ – disposal group held for sale	6 471 828	
Total per statement of financial position	25 301 361	23 975 294
LIABILITIES		
Groceries [^]	1 076 436	1 018 796
Baking [^]	1 649 314	1 443 986
Sugar	1 918 098	2 048 174
Rainbow	2 322 261	2 186 383
Unallocated Group liabilities ^v	2 892 720	2 433 709
Set-off of inter-segment balances	(274 847)	(2 441 895)
Vector Logistics ¹		5 896 809
Total per statement of financial position – continuing operations	9 583 982	12 585 962
Vector Logistics ¹ – disposal group held for sale	3 996 074	
Total per statement of financial position	13 580 056	12 585 962

[^] The results for the Groceries and Baking segments in the comparative periods have been restated to reallocate the Pies operating unit, which now forms part of Baking for segmental reporting purposes. The Pies operating unit was previously included as part of the Groceries segment.

^v Includes assets and liabilities of the Group treasury company and consolidation entries.

¹ Classified as a disposal group held for sale in the current year.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2 JULY 2023

1. BASIS OF PREPARATION



The Abridged Consolidated Annual Financial Statements have been extracted from the Audited Annual Financial Statements for the year ended June 2023, available at www.rclfoods.com/financial-results-and-reports-2023/.

The Abridged Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the information required by IAS 34 *Interim Financial Reporting*, IFRIC interpretations, SAICA financial reporting guides and in compliance with the Companies Act and the JSE Limited Listings Requirements, under the supervision of the Chief Financial Officer, Robert Field CA(SA). The accounting policies comply with IFRS and have been consistently applied to all years presented.

2. DIRECTORS' EMOLUMENTS

	Basic salary R'000	Pension contribution R'000	Bonus ¹ R'000	Other benefits ² R'000	Total R'000
2023					
PD Cruickshank	7 420	606	9 000	232	17 258
RH Field	5 243	564	5 000	243	11 050
	12 663	1 170	14 000	475	28 308
2022					
PD Cruickshank ³	4 203	343		131	4 677
RH Field	5 032	541	4 000	224	9 797
M Dally ⁴	4 021	244	31 521	322	36 108
	13 256	1 128	35 521	677	50 582

¹ Bonus payments made in 2023 relate to the 2022 financial year. An amount of R12,2 million has been accrued for the 2023 financial year.

² Other benefits include company contributions to disability insurance, medical aid and UIF.

³ PD Cruickshank was appointed as Chief Executive Officer with effect from 1 December 2021. Prior year remuneration disclosed is only included from appointment date.

⁴ M Dally retired as Chief Executive Officer and director of the company on 30 November 2021.

	2023 R'000	2022 R'000
Non-executives (for services as a director)		
HJ Carse ¹	425	403
JJ Durand ¹	555	528
GP Dingaan ²	653	
CJ Hess ³	319	864
PR Louw ¹	425	403
NP Mageza	812	772
PM Moumakwa	646	574
DTV Msibi	638	606
GM Steyn	865	821
G CJ Tielenius Kruythoff	369	351
GC Zondi ⁴	962	914
MM Nhlahlala ⁵		158
Total	6 669	6 394

¹ Paid to Remgro Management Services Limited.

² Appointed 9 November 2022.

³ Retired 9 November 2022.

⁴ Paid to Imbewu Capital Partners Management Services Proprietary Limited.

⁵ Retired 16 November 2021.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

2. DIRECTORS' EMOLUMENTS CONTINUED

LONG-TERM INCENTIVES (LTI) PAYABLE

The RCL FOODS Value Creation Plan (VCP) aims to incentivise eligible participants to drive particular financial measures linked to value creation to encourage a long-term focus on sustainable growth and to attract and retain suitably skilled and competent personnel. VCP allocations are made on an annual basis or when retention/attraction risks apply to executive directors and selected employees. A vesting period of 3 years applies. Upon lapsing of the 3-year period, and where a participant has remained employed for the duration of the vesting period, and the extent to which performance conditions have been made, cliff vesting of the award will occur and the participant will be entitled to settlement to the value of the vested award. The VCP has a vesting cap of 200% of Total Cost to Company for executives and prescribed officers.

Expected settlements on VCP allocations to executive directors for the year ended June 2023 are as follows:

	Expected settlement on unvested awards ¹	Amounts paid in the current financial year
PD Cruickshank	2 228	
RH Field	2 082	
Expected payment on condition performance targets are achieved	4 310	
Liability included in long term trade and other payables	1 437	

¹ Expected future payments on vesting of open scheme. One third of the awards have been accrued for in the 2023 financial year.

INTERESTS OF DIRECTORS OF THE COMPANY IN SHARE APPRECIATION RIGHTS AWARDED IN TERMS OF THE RCL FOODS SHARE APPRECIATION RIGHTS SCHEME

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2023 are as follows:

	Award price Rand	Rights at June 2022	Rights forfeited during the year	Rights at June 2023	Fair value of rights awarded ¹ R'000	Rights exercisable at June 2023
PD Cruickshank						
	15.92	181 809	(181 809)			
	14.05	704 282		704 282	2 155	704 282
	15.36	366 020		366 020	1 245	366 020
	16.97	323 507		323 507	1 417	213 514
	9.93	2 068 897		2 068 897	4 903	682 736
	8.55	714 010		714 010	1 564	
	12.65	2 510 776		2 510 776	11 524	
Subtotal		6 869 301	(181 809)	6 687 492	22 808	1 966 552
RH Field						
	15.92	319 448	(319 448)			
	14.05	1 087 325		1 087 325	3 327	1 087 325
	15.36	669 653		669 653	2 277	669 653
	16.97	620 061		620 061	2 716	409 240
	9.93	1 217 339		1 217 339	2 885	401 721
	8.55	1 188 869		1 188 869	2 604	
	12.65	1 095 283		1 095 283	5 027	
Subtotal		6 197 978	(319 448)	5 878 530	18 836	2 567 939
Total		13 067 279	(501 257)	12 566 022	41 644	4 534 491

¹ Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.

2. DIRECTORS' EMOLUMENTS CONTINUED

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2022 are as follows:

	Award price Rand	Rights at June 2021	Rights awarded during the year	Rights forfeited during the year	Rights at June 2022	Fair value of rights awarded ¹ R'000	Rights exercisable at June 2022
PD Cruickshank²	15.93	197 884		(197 884)			
	15.92	181 809			181 809	571	181 809
	14.05	704 282			704 282	2 155	704 282
	15.36	366 020			366 020	1 245	241 573
	16.97	323 507			323 507	1 417	106 757
	9.93	2 068 897			2 068 897	4 903	
	8.55	714 010			714 010	1 564	
	12.65		2 510 776		2 510 776	11 524	
Subtotal		4 556 409	2 510 776	(197 884)	6 869 301	23 379	1 234 421
RH Field							
	15.93	559 397		(559 397)			
	15.92	319 448			319 448	1 003	319 448
	14.05	1 087 325			1 087 325	3 327	1 087 325
	15.36	669 653			669 653	2 277	441 970
	16.97	620 061			620 061	2 716	204 620
	9.93	1 217 339			1 217 339	2 885	
	8.55	1 188 869			1 188 869	2 604	
	12.65		1 095 283		1 095 283	5 027	
Subtotal		5 662 092	1 095 283	(559 397)	6 197 978	19 839	2 053 363
M Dally³							
	15.93	1 014 820		(1 014 820)			
	15.92	540 869			540 869	1 698	540 869
	14.05	1 962 930			1 962 930	6 007	1 962 930
	15.36	1 284 422			1 284 422	4 367	847 718
	16.97	1 153 718			1 153 718	5 053	380 726
	9.93	2 189 069			2 189 069	5 188	
	8.55	2 168 330			2 168 330	4 749	
Sub total		10 314 158		(1 014 820)	9 299 338	27 062	3 732 243
Total		20 532 659	3 606 059	(1 772 101)	22 366 617	70 280	7 020 027

¹ Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.

² PD Cruickshank was appointed as Chief Executive Officer with effect from 1 December 2021.

³ M Dally retired as Chief Executive Officer and director of the Company on 30 November 2021.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

2. DIRECTORS' EMOLUMENTS CONTINUED

INTERESTS OF DIRECTORS OF THE COMPANY IN STATED CAPITAL

The aggregate beneficial holdings as at June of those directors of the company holding issued ordinary shares are detailed below:

	2023 Direct beneficial	2023 Indirect beneficial	2022 Direct beneficial	2022 Indirect beneficial
Executive directors				
PD Cruickshank	447 811		447 811	
RH Field	1 675 030		1 675 030	
Non-executive directors				
NP Mageza		386		386
GC Zondi*				667 252
	2 122 841	386	2 122 841	667 638

* Assumed 100% vesting in terms of B-BBEE transaction.

There has been no change in the interest of the directors in the stated capital of the company since the end of the financial year to the date of this report.

The above interests of directors represents the aggregate interests of directors. No interest is held by a director's associate.

DIRECTORS' EMOLUMENTS PAID BY REMGRO LIMITED

	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits ¹ R'000	Total R'000
June 2023					
Executive					
HJ Carse		2 652	526	378	3 556
JJ Durand	413	12 819	2 625	442	16 299
PR Louw		3 221	639	455	4 315
Subtotal	413	18 692	3 790	1 275	24 170
Independent non-executive					
NP Mageza	657				657
Subtotal	657				657
Total	1 070	18 692	3 790	1 275	24 827
June 2022					
Executive					
HJ Carse		2 529	501	321	3 351
JJ Durand	390	12 107	2 479	418	15 394
PR Louw		3 037	598	432	4 067
Subtotal	390	17 673	3 578	1 171	22 812
Independent non-executive					
NP Mageza	620				620
Subtotal	620				620
Total	1 010	17 673	3 578	1 171	23 432

¹ Other benefits include medical aid contributions and vehicle benefits.

2. DIRECTORS' EMOLUMENTS CONTINUED

VARIABLE PAY – LONG-TERM INCENTIVE PLANS

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2023

Participant	Balance of SARs accepted as at June 2022	SARs accepted during the period	Offer date	Offer price Rand	Number of SARs exercised/ (forfeited)	Date exercising/ forfeiting SARs	Balance of SARs accepted as at June 2023	Fair value of SARs granted ¹ R'000
Executive								
HJ Carse	7 546			90.97			7 546	434
	11 767			123.80			11 767	313
	17 775			160.29			17 775	63
	8 273			166.08			8 273	18
	9 988			122.38			9 988	278
	16 972			114.92			16 972	723
	5 915			107.67			5 915	303
	14 494			89.21			14 494	954
	14 502			89.69			14 502	999
	11 172			121.63			11 172	642
		15 000	2022/12/05	141.64			15 000	806
JJ Durand	271 258			90.97			271 258	15 615
	93 128			123.80	93 128	2022/11/29		
	108 468			160.29			108 468	386
	192 676			166.08			192 676	414
	150 872			122.38	150 872	2022/11/29		
	132 309			114.92			132 309	5 637
	235 427			89.21	68 272	2022/12/05	167 155	6 600
	235 454			89.69			235 454	9 733
	181 378			121.63			181 378	6 251
		172 168	2022/12/05	141.64			172 168	5 548
PR Louw	22 646			90.97	22 646	2023/06/22		
	12 944			123.80	12 944	2023/06/22		
	5 952			160.29			5 952	21
	9 497			166.08			9 497	20
	91 120			122.38	91 120	2023/06/22		
	20 301			114.92			20 301	865
	46 428			89.21	13 464	2022/12/05	32 964	1 302
	46 448			89.69			46 448	1 920
	35 796			126.99			35 796	1 234
		37 780	2022/12/05	141.64			37 780	1 218
Total	2 010 506	224 948			452 446		1 783 008	62 297

¹ Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

2. DIRECTORS' EMOLUMENTS CONTINUED

VARIABLE PAY – LONG-TERM INCENTIVE PLANS

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2022

Participant	Balance of SARs accepted as at June 2021	SARs accepted during the period	Offer date	Offer price Rand	Number of SARs exercised/ (forfeited)	Date exercising/ forfeiting SARs	Balance of SARs accepted as at June 2022	Fair value of SARs granted ¹ R'000
Executive								
HJ Carse	7 546			94.22			7 546	295
	11 767			127.40			11 767	202
	17 775			164.57			17 775	88
	8 273			170.38			8 273	35
	9 988			125.95			9 988	145
	16 972			118.86			16 972	470
	5 915			112.38			5 915	218
	28 996			93.82			28 996	1 613
		11 172	2021/12/05	126.99			11 172	550
JJ Durand	271 258			94.22			271 258	10 614
	93 128			127.40			93 128	1 597
	108 468			164.57			108 468	535
	192 676			170.38			192 676	823
	150 872			125.95			150 872	2 193
	132 309			118.86			132 309	3 662
	87 135			112.38	(87 135)	2021/12/06		
	470 881			93.82			470 881	26 191
		181 378	2021/12/05	126.99			181 378	8 937
PR Louw	22 646			94.22			22 646	886
	12 944			127.40			12 944	222
	5 952			164.57			5 952	29
	9 497			170.38			9 497	41
	91 120			125.95			91 120	1 325
	20 301			118.86			20 301	562
	17 881			112.38	(17 881)	2021/12/06		
	92 876			93.82			92 876	5 166
		35 796	2021/12/05	126.99			35 796	1 764
Total	1 887 176	228 346			(105 016)		2 010 506	68 163

¹ Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period.

2. DIRECTORS' EMOLUMENTS CONTINUED

VARIABLE PAY – LONG-TERM INCENTIVE PLANS

Remgro Equity Settled Conditional Share Plan (CSPs) – 2023

Participant	Balance of CSPs accepted as at June 2022	CSPs accepted during the period ¹	Offer date	Offer price Rand	Additional CSPs from dividends	Number of CSPs vested/ (forfeited)	Date vested/ forfeited CSPs	Balance of CSPs accepted as at June 2023	Fair value of CSPs ¹ R'000
Executive									
H Carse	14 494	318	2022/10/12	93.82	62	(7 860)	2022/12/05	7 014	619
	14 502	318	2022/10/12	93.82				14 820	1 308
	2 662	59	2022/10/12	93.82	25			2 746	404
	11 172	245	2022/10/12	126.99				11 417	1 007
		15 000	2022/12/05	141.64				15 000	1 323
JJ Durand	235 427	5 156	2022/10/12	93.82	996	(127 703)	2022/12/05	113 876	10 047
	235 454	5 157	2022/10/12	93.82				240 611	21 229
	95 672	2 096	2022/10/12	93.82	855			98 623	14 503
	181 379	3 973	2022/10/12	126.99				185 352	16 354
		172 168	2022/12/05	141.64				172 168	15 190
PR Louw	46 428	1 017	2022/10/12	93.82	197	(25 184)	2022/12/05	22 458	1 981
	46 448	1 018	2022/10/12	93.82				47 466	4 188
	7 988	175	2022/10/12	93.82	72	(8 235)	2023/06/22		
	35 796	784	2022/10/12	126.99				36 580	1 936
		37 780	2022/12/05	141.64				37 780	3 333
Total	927 422	245 264			2 207	(168 982)		1 005 911	93 422

Remgro Equity Settled Conditional Share Plan (CSPs) – 2022

Participant	Balance of CSPs accepted as at June 2021	CSPs accepted during the period	Offer date	Offer price Rand	Number of CSPs vested/ (forfeited)	Date vested/ forfeited CSPs	Balance of CSPs accepted as at June 2022	Fair value of CSPs ¹ R'000
Executive								
H Carse	8 154			205.07	(8 154)	2021/12/06		
	31 658			93.82			31 658	3 827
		11 172	2021/12/05	126.99			11 172	1 370
JJ Durand	120 107			205.07	(120 107)	2021/12/06		
	566 553			93.82			566 553	65 555
		181 379	2021/12/05	126.99			181 379	22 240
PR Louw	24 648			205.07	(24 648)	2021/12/06		
	100 864			93.82			100 864	12 224
		35 796	2021/12/05	126.99			35 796	4 389
Total	851 984	228 347			(152 909)		927 422	109 605

¹ Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

	2023 R'000	Restated* 2022 R'000
3. FINANCE COSTS		
Continuing Operations		
Interest – financial institutions	264 515	134 205
Fair value adjustment on interest rate collar option		3 667
Transaction costs on term-funded debt	2 512	1 014
Interest – Holding company, joint ventures and associates	65 486	41 844
Interest on lease liabilities	38 619	37 892
Interest – other	4 937	22 397
	376 069	241 019
4. INTEREST-BEARING LIABILITIES		
Long-term		
Institutional borrowings	24 963	27 473
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	128 461	142 585
Lease liabilities	436 134	730 482
Term-funded debt package		1 225 000
Loan from Green Create W2V SA Proprietary Limited	110 519	
Loan from Inclusive Farming Partnership Proprietary Limited	23 790	27 104
Loans from Akwandze Agricultural Finance Proprietary Limited	83 333	116 667
	807 200	2 269 311
Short-term		
Institutional borrowings	2 511	2 511
Lease liabilities	160 255	155 130
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	13 301	11 370
Current portion of Term-funded debt package	1 675 000	787 500
Loan from Green Create W2V SA Proprietary Limited		94 578
Current portion of long-term loan from Akwandze Agricultural Finance Proprietary Limited	33 333	33 334
Current portion of long-term loan from Inclusive Farming Partnership Proprietary Limited	3 496	3 326
Short-term loans from Akwandze Agricultural Finance Proprietary Limited	235 396	178 856
	2 123 292	1 266 605

INSTITUTIONAL BORROWINGS

Institutional borrowings are loans from Futuregrowth Asset Management Proprietary Limited with a carrying value in non-current liabilities of R25,0 million (2022: R27,5 million) and an amount of R2,5 million included in short-term institutional borrowings (2022: R2,5 million). These loans were used to fund certain contract grower operations in the Rainbow business unit. These loans bear interest at the three-month JIBAR with a margin of between 1.5% and 4.25% per annum (2022: 1.5% and 4.25% per annum). The outstanding loan together with the accrued interest is required to be repaid in instalments based on the contract growers operating cycle at intervals of between 40 to 50 days between payments.

The loans are unsecured. The carrying amount of institutional borrowings approximate its fair value.

LOAN FROM GREEN CREATE W2V SA PROPRIETARY LIMITED

Green Create W2V SA Proprietary Limited is a 50% shareholder in Matzonox Proprietary Limited which houses the Group's Waste-to-Value operations.

Green Create W2V SA Proprietary Limited has provided finance related to the construction of a Waste-to-Value plant in Rustenburg.

The repayment date for the loans were revised during the 2023 financial year which resulted in the loan balance being a non-current liability at year-end (2022: R94,6 million balance reflected as a current liability).

The loan is unsecured. Interest accrues at the prime rate plus 5% per annum. The loan is repayable by September 2024.

The funding to Matzonox Proprietary Limited has been provided in equal proportions by Green Create W2V SA Proprietary Limited and the RCL FOODS Group. The Group's portion of the funding (R110,5 million) has been eliminated on consolidation.

The carrying amount of the loan approximates its fair value.

4. INTEREST-BEARING LIABILITIES CONTINUED

LOANS FROM FACILITY FOR INVESTMENTS IN RENEWABLE SMALL TRANSACTIONS (RF) PROPRIETARY LIMITED

The Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited (FIRST) is a debt funding platform created through a partnership between international development funding and a South African commercial bank to unlock funding for small renewable projects.

This loan relates to the Group's Waste-to-Value operations and was granted in 2 tranches. The first tranche was obtained in 2020 and accrues interest at 3 month JIBAR plus 4.08%.

During 2022 a further loan from the FIRST was obtained in Matzonox Proprietary Limited (second tranche).

This loan accrues interest at 3 month JIBAR plus 3.95%. The total loan is repayable quarterly over a ten year term.

The loan is secured by:

- a notarial bond registered over the Worcester Waste-to-Value (first tranche) and Rustenburg Waste-to-Value (second tranche) plants;
- certain bank accounts held with First National Bank (Debt-service and Maintenance Reserve Accounts); and
- the shares held by shareholders in Matzonox Proprietary Limited.

The carrying amount of the loan approximates its fair value with a carrying value in non-current liabilities of R128,5 million (2022: R142,6 million) and an amount of R13,3 million (2022: R11,4 million) is included in short-term borrowings.

TERM-FUNDED DEBT PACKAGE

The debt package has a five-year term expiring in December 2023, with interest at a rate of three-month JIBAR plus a margin of between 1.5% to 1.55%.

In the second half of the 2023 financial year, an agreement was reached with the Group's term-funded debt providers to defer repayments which were due in March, June and September 2023 to the expiry date in December 2023 in order to manage short term liquidity requirements and whilst the Rainbow separation remains in progress. The overall capital structure and funding requirements of the Group is expected to be impacted by the Rainbow separation, and with expiry of the term debt package in December 2023, the Group is engaging with lenders on refinancing and extension options.

The details of the loans and the effective interest rate for the year is shown below:

Type	Amount R'000	Term	Effective %
Facility A	837 500	5 years	8.06%
Facility B	837 500	5 years	8.11%
Total	1 675 000		

The loan profile for each financial year-ended is as follows:

Financial year-ending	Capital repayments R'000	Balance R'000
4 July 2021		2 350 000
3 July 2022	(337 500)	2 012 500
2 July 2023	(337 500)	1 675 000
30 June 2024	(1 675 000)	

Management have assessed the impact of the modification on the fair value of term-debt package and on the Group's financial statements and have concluded that it is not material.

In the event of default on the term-funded debt package, the applicable interest rate will be increased by 2.0% until the default no longer exists.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

4. INTEREST-BEARING LIABILITIES CONTINUED

TERM-FUNDED DEBT PACKAGE CONTINUED

The terms of the term-funded debt package require lender pre-approval for the following – but not limited to – specified events:

- Any acquisition that does not have a positive 12 month EBITDA or cash flow and the purchase price is less than R500,0 million;
- Any loan or financial support to a community-based joint venture (as defined) as well as Akwandze Agricultural Finance Proprietary Limited is in excess of R1 350,0 million during the term of the debt package;
- More than three dividends paid in a financial year;
- Entering into acquisitions and the payment of dividends requires the Group to meet the financial covenants specified in the term-funded debt package agreement both immediately after the proposed transaction and on a look-forward basis for the next interim and year-end reporting date after the proposed transaction; and
- In addition, there are various transactions in the normal course of business which require that the Group remain within the specified financial covenants.

The term-funded debt package requires that the Group comply with the following financial covenants:

	Required	June 2023	June 2022
Senior leverage ratio	<3.00:1	1.6	0.6
Senior interest cover	>3.50:1	5.4	10.5

For the year ended June 2023, the Group was within the limits of its financial covenants.

The obligations in respect of the debt package discussed above, have been guaranteed by each of Foodcorp Proprietary Limited, RCL Foods Treasury Proprietary Limited, RCL Foods Sugar & Milling Proprietary Limited, RCL Foods Consumer Proprietary Limited, Rainbow Farms Investments Proprietary Limited, RCL Group Services Proprietary Limited and Vector Logistics Proprietary Limited.

The above loans of the term-funded debt package are unsecured.

The fair value of the term-funded debt package at June 2023 amounted to R1,68 billion (2022: R2,04 billion). The fair value is calculated by discounting the future cash flows over the period of the loan and is within level 2 of the fair value hierarchy. The discount rate is based on the South African Sovereign Zero-Coupon Swap Curve with the contractual margin charged by the lenders as a credit spread.

LONG-TERM LOAN FROM AKWANDZE AGRICULTURAL FINANCE PROPRIETARY LIMITED

Akwandze Agricultural Finance Proprietary Limited is a joint venture of the Group. Akwandze Agricultural Finance Proprietary Limited provides production finance and management services to sugarcane growers. Certain funding has been channelled through the Group to small-scale production growers.

The long-term loans amounting to R83,3 million (2022: R116,6 million) are from Akwandze Agricultural Finance Proprietary Limited. The capital portion is repayable half yearly over a period of 6 years in equal instalments whilst interest is payable quarterly. The loan bears interest at a prime interest rate less 1.0% per annum. The current portion of R33,3 million (2022: R33,4 million) is included in short-term borrowings.

SHORT-TERM LOANS FROM AKWANDZE AGRICULTURAL FINANCE PROPRIETARY LIMITED

The R150,0 million financing facility (2022: R150,0 million) from Akwandze Agricultural Finance Proprietary Limited bears interest at prime rate less 1.0%. The facility is repayable on demand.

These loans have been guaranteed by RCL Foods Sugar & Milling Proprietary Limited.

The short-term loan amounting to R28,1 million (2022: R28,9 million) from Akwandze Agricultural Finance Proprietary Limited is unsecured, payable on demand and bears interest at a variable rate of 8.05% (2022: 3.65%) per annum.

The R56,3 million loan from Akwandze Agricultural Finance Proprietary Limited bears interest at prime rate less 1.0%. The facility is repayable by 30 June 2024.

These loans have been guaranteed by RCL Foods Sugar & Milling Proprietary Limited.

The carrying amount of these loans approximate their fair values.

4. INTEREST-BEARING LIABILITIES CONTINUED

LOANS FROM INCLUSIVE FARMING PARTNERSHIP PROPRIETARY LIMITED

During the previous financial year, a loan of R36,0 million was granted by Inclusive Farming Partnership Proprietary Limited. The capital portion of the loan is repayable annually over a period of eight years in equal instalments and interest is payable annually. The loan bears interest at 3.0% per annum. The loan was revalued at a fair value interest rate of 7.25% per annum and the corresponding deferred income of R4,2 million (2022: R5,6 million) was recognised in the statement of financial position at year-end. The outstanding balance at the end of the year is R27,3 million (2022: R30,4 million).

5. RELATED PARTY TRANSACTIONS

Related party relationships exist between RCL Foods Limited, its subsidiaries, associates, joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. Remgro Management Services Limited provides treasury services to the Group. The transactions and balances below relate to total operations, i.e. continuing and discontinued operations.

The ultimate controlling party of the Group is Remgro Limited.

GROUP

As detailed in note 1 to the Company financial statements included in the Annual Financial Statements for the year ended June 2023, available on our website at www.rclfoods.com/financial-results-and-reports-2023/, the Group has concluded certain lending transactions with these related parties. In addition the following transactions were concluded:

	2023 R'000	2022 R'000
Transactions and balances with ultimate holding company		
Interest paid	8 591	
Administration and other fees paid	28 349	25 860
Service fees received		1 010
Other expenses paid	3 009	492
Amounts owing included in trade and other payables	5 301	7 527
Directors' fees	1 405	1 334
Transactions and balances with subsidiaries of the holding company		
Sales	531 331	491 714
Purchases	59	2 617
Amounts owing to subsidiaries of the holding company included in trade and other receivables	52 642	91 788
Amounts owing by subsidiaries of the holding company included in trade and other payables	838 427	784 228
Transactions and balances with associates of the holding company		
Purchases	116 584	78 722
Sales	89 641	6 730
Amounts owing to associates of the holding company included in trade and other payables	8 858	17 880
Amounts owing by associates of the holding company included in trade and other receivables	145	1 299
Transactions and balances with associates and joint ventures within the Group		
Interest paid	29 976	21 585
Interest received	3 538	1 638
Management fees received	1 437	1 368
Service fees paid	13 177	10 144
Dividends received	46 874	70 420
Sales	172 858	147 541
Purchases	1 250 025	1 219 984
Amounts owing by associates and joint ventures within the Group included in receivables	32 985	24 817
Amounts owing to associates and joint ventures within the Group included in non-current interest-bearing liabilities	83 333	116 667
Amounts owing to associates and joint ventures within the Group included in current interest-bearing liabilities	268 729	212 190
Amounts owing to associates and joint ventures within the Group included in payables	144 476	160 799
Amounts owing by associates and joint ventures within the Group included in loans receivable	75 931	31 095

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 2 JULY 2023

5. RELATED PARTY TRANSACTIONS CONTINUED

	2023 R'000	2022 R'000
Key management of RCL Foods Limited		
In terms of IAS 24: Related party disclosures, key management are considered to be related parties.		
Executive management and the senior leadership team are classified as key management. The following transactions were carried out with key management individuals within the Group:		
- short-term employee benefits	704 691	733 002
- post-employment benefits	53 020	50 238
- termination benefits	5 173	6 259
- share-based payments settled	8 833	16 057
- share-based payments expense	70 390	93 653
Total	842 108	899 209

6. SUBSEQUENT EVENTS

The disposal of the Vector Logistics segment, which has been presented as held for sale at current reporting date, was finalised on 28 August 2023, resulting in a net cash receipt of R1 307,0 million, comprising the purchase price of R1 250,0 million, plus interest of R70,3 million from 1 March 2023 and less the post-tax share option liability of Vector Logistics of R13,4 million. The proceeds and profit/loss on disposal of the Vector Logistics segment will be recognised in the 2024 financial year. A reasonable estimate of the profit/loss on disposal of the Vector Logistics segment cannot be made as at 1 September 2023, due to the statement of financial position for the Vector Logistics segment not yet being available.

The purchase price is in excess of the net carrying value of the Vector Logistics segment and as a result no write-down to fair value was required in the 2023 results in accordance with IFRS 5. The purchase price is subject to certain EBITDA targets being met, which may result in a future adjustment of up to R100,0 million increase/decrease in the purchase price.

The shareholder loan advanced from RCL Foods Limited to Vector Logistics (R539,2 million as at 2 July 2023) was converted to equity on disposal of the Vector Logistics segment, whilst the short-term borrowings/cash invested between Vector Logistics and the Group's treasury company (R678,2 million as at 2 July 2023) was settled in cash. The transition of Vector Logistics out of RCL FOODS and its shared service platform is expected to take place over the next 12 months.

CORPORATE INFORMATION

Company registration number	1966/004972/06
JSE Share code	RCL
ISIN code	ZAE000179438
Registered office/street address	Ten The Boulevard Westway Office Park Westville 3629
Postal address	PO Box 2734 Westway Office Park Westville 3635
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196
Company secretary	LG Kelso
Group Auditors	PricewaterhouseCoopers Inc.
Listing	Johannesburg Securities Exchange South Africa
Sector	Food Producers
Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited)
Bankers	Absa Bank Limited FirstRand Bank Limited Investec Bank Limited Nedbank Limited The Standard Bank of South Africa Limited
Website	www.rclfoods.com

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