VALUE GROUP
LIMITED

Integrated Annual Report 2020

HIGHLIGHTS

REVENUE **UP 4%**

R2,88bn

HEADLINE EARNINGS PER SHARE **UP 22%**

92,2 cents

EARNINGS PER SHARE **UP 22%**

89,5 cents

NET ASSET VALUE PER SHARE **UP 9%**

564,6 cents

CASH GENERATED BY OPERATIONS **UP 12%**

R599m

FULL YEAR DIVIDEND PER SHARE **MAINTAINED**

40 cents

CONTENTS

GROUP OVERVIEW

ANNUAL FINANCIAL STATEMENTS

OTHER INFORMATION

REPORTING STRUCTURE

Our integrated annual report reflects the results and achievements of Value Group Limited and covers the reporting period 1 March 2019 to 29 February 2020.

This integrated annual report is the Group's key report for communication with its various stakeholders. This report demonstrates to stakeholders, the financial and operational performance of the Group over the past year and the measures in place to ensure the long term success of the organisation. Our aim is to provide a balanced, transparent and complete assessment of the Group's financial and non-financial activities.

Sustainability is a vital part of the organisation and coincides with our aims of being a responsible corporate citizen. The Group views sustainability as the ability to balance the financial, human, environmental and social factors inherent in the organisation over the long term. This report aims to demonstrate the interdependencies of these various factors, and how the actions of the Group in light of these interdependencies, promotes the creation of value and growth over the short, medium and long-term.

The Group takes a precautionary approach to sustainability by putting in place measures to prevent harm to the environment and human health, such as fuel saving initiatives and occupational health and safety initiatives.

REPORTING FRAMEWORK

This report contains standard disclosures from the GRI Sustainability Reporting Guidelines, using the GRI standards. The Group has elected to report using the core application disclosures. A list of the standard disclosures and their location in this integrated annual report can be found on pages 140 to 142.

The consolidated financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act 71 of 2008.

Financial information is extracted from the audited consolidated financial statements. The external auditors, SVG, have issued an unmodified audit opinion on the consolidated financial statements for the year ended 29 February 2020. Their report is included in the consolidated financial statements on page 64.

The Group has also followed the recommendations of the King IV Report on Corporate Governance and the Framework of the International Integrated Reporting Council.

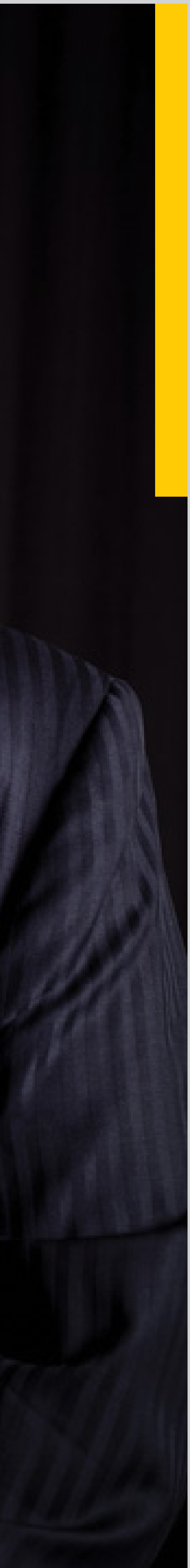
The board has decided not to obtain external assurance on the disclosures included under operational performance in this report, with the exception of its BBBEE score, as it recognised that its own internal reporting and information gathering processes and indicators should be further refined before external assurance would add value. A copy of the Group's BBBEE certificate can be found on our website at www.value.co.za.

PROCESS FOR DEFINING REPORT CONTENT AND ASPECT BOUNDARIES

The process used in determining material aspects arises from the Group's risk management process, our core values and guidance issued by the Global Reporting Initiatives. The Group has identified these aspects using the principles for defining report content and has considered the relevance of these aspects to sustainability in a wider context. Material aspects, that is, those aspects considered to be of significance to the decisions of stakeholders were then selected for reporting. Data is collected at operational level and consolidated at Group level. The basis for reporting on wholly owned subsidiaries, associates and joint ventures has not changed since the prior year. Unless otherwise stated, information presented in this integrated report relate to all entities within the Group. The following list of material aspects were selected for reporting:

Material aspect		Key stakeholders affected
Economic performance	→	Investors, suppliers
Environment	→	Community
Employment	→	Employees
Labour management	→	Employees
Health and safety	→	Employees, customers
Training and education	→	Employees, customers
Local communities	→	Community

CHAIRMAN'S STATEMENT



The Group faced its fair share of challenges in the 2020 financial year, brought on by a weak economy, intensified competition and overall reduced consumer spending. Business and consumer confidence in South Africa remains low, with concerns over state-owned enterprises weighing on market sentiment. The woeful positions of our state-owned power and water utilities, coupled with government bailouts, corruption and maladministration, only serve to decrease investor sentiment and spending, resulting in further weakening of the South African economy and sustained job losses.

Despite these challenges, however, the Group produced a remarkable increase in earnings for the 12 months ended 29 February 2020, with basic and headline earnings per share up 22% over the previous financial year. Revenue grew marginally by 4% over the previous year's R2,78 billion to R2,88 billion, while gross profit saw an increase of 7,4% to R947,8 million. Operating profit grew marginally by 1%, from R255,3 million to R257,7 million. Cash resources at year-end increased significantly from R175,9 million to R262,6 million, mostly due to the Group attaining a record R59,1 million of proceeds from the disposal of older vehicles and stringent controls on working capital. This strong net cash position allowed the Group to maintain its full year dividend at 40 cents per share in line with that of the 2019 financial year, despite the uncertainty surrounding the impact of the novel coronavirus.

The weakened economy has had various knock-on effects throughout society. Rising inequality levels, high levels of unemployment and worsening poverty is now a reality in many parts of South Africa. The Group is aware of its responsibility to make valuable and sustainable contributions to society, changing the current state of affairs and doing its best to ensure that people have the required knowledge and skills to progress and further themselves. In particular, the Group is committed to the development and upliftment of its employees and the communities in which it operates through various skills development and CSI initiatives. The Group embarked on formal learnership programmes as long ago as 2008 with a vision of contributing skilled labour to the South African economy. Since inception, 2 274 learners have enrolled in learnership programmes and, as at February 2020, 1 717 have successfully completed a learnership program. The Group's social and ethics committee also oversees the Group socio-economic development programme which focusses on youth education and early childhood development.

Another key aspect in achieving positive change in society is transformation. The Group supports the principles of BBBEE and remains committed to bringing about true equality through various measures such as recruitment, training and skills development of previously disadvantaged individuals. The Group has maintained its level 3 BBBEE rating and is proud to achieve a transformed workforce consisting of 86% BBBEE staff representation.

In line with the recommendations of the JSE limited and in an effort to ensure that the board is representative of our society, containing a diversity of skills and viewpoints, the Group adopted a race and gender equality policy in 2018. I am delighted to welcome Ms Bukelwa Bulo as an independent non-executive director of the board and member of the Group's audit and risk committee. Ms Bulo is a Chartered Accountant (SA) with over 12 years of experience in the private equity industry. The Group looks forward to her contributions. Mr Mike Groves, after 18 years of serving on the board, will be retiring at the next annual general meeting. I wish to sincerely thank Mr Groves for his wisdom and invaluable guidance and service to the Group. He will be missed. I remain confident that the board contains the appropriate level and mix of skills required to ensure that the interests of the Group's various stakeholders are well taken care of, that the board is able to effectively lead the strategy of the Group and that the highest levels of good governance are maintained as envisioned by the principles of King IV.

The year ahead will bring fresh new challenges for the Group as well as the rest of South Africa. Our government faces the difficult task of adapting to the challenges brought on by the impact of COVID 19 and further rating downgrades, both of which do not bode well for our already depressed economy and much needed investor sentiment. As time progresses, the scale and severity of the pandemic is becoming more evident, creating huge economic costs and further job losses across industries, a trend which is expected to continue into the foreseeable future. The Group, however, has a viable and sustainable business model, is resilient and will adapt to this ever-changing environment.

My congratulations and thanks go to Steven Gottschalk, his management team and employees, for what can only be described as an outstanding performance during this financial year. Their dedication to the task under extremely trying circumstances has been exemplary.

I also express my deep gratitude to my fellow board members and, of course, our loyal customers and suppliers. Now more than ever we need to remain strong and focused as we enter a difficult and unprecedented period in our country's history.

CD Stein
Chairman

6 August 2020

ABOUT VALUE

Nurturing your supply chain. Every product. Every kilometre. Every step of the way.

Value Group Limited and its subsidiaries ("the Group") provide a comprehensive range of tailored logistical solutions and FMCG products throughout southern Africa. The operating divisions specialise in providing a diversified range of supply chain services, which encompass distribution, transport, clearing and forwarding, warehousing, fleet management, materials handling and commercial vehicle rental and full maintenance leasing. The Group's retail segment supplies FMCG products into the convenience, formal and informal markets.

Our service offering has been developed with the core focus being placed on divisional expertise, highly skilled labour, advanced monitoring systems, IT interfaces and a national distribution framework, thereby enabling a fully integrated supply chain service offering.

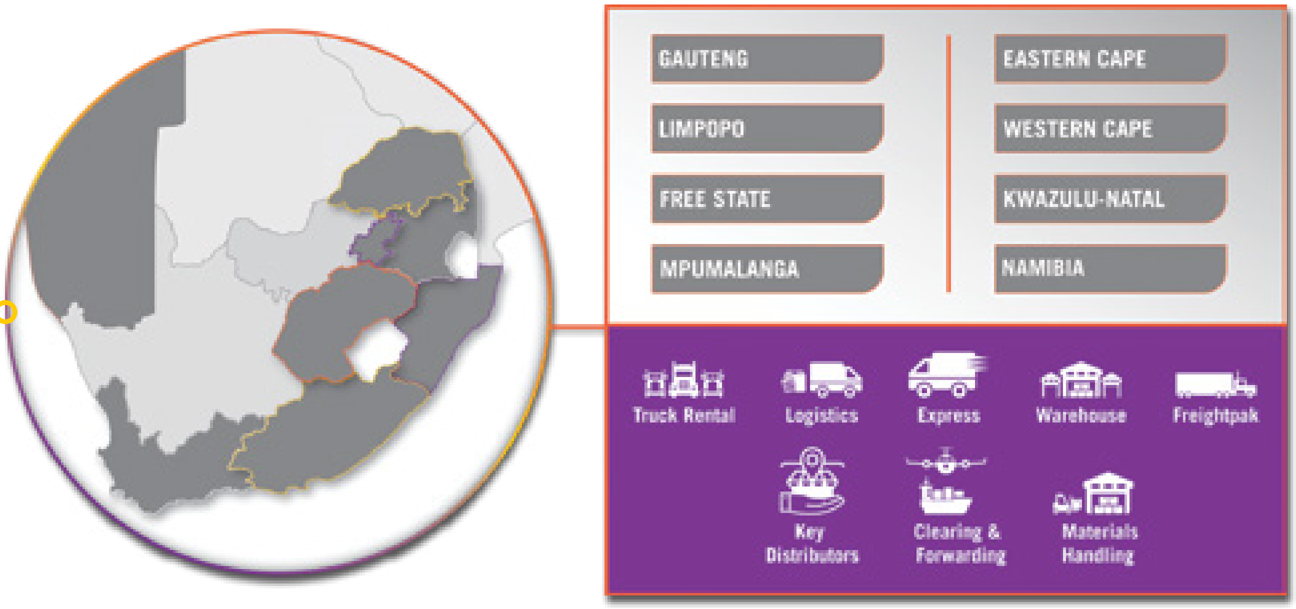
VISION & MISSION

THE VALUE MISSION STATEMENT

Value Group is dedicated to building mutually beneficial long term relationships
by understanding the unique requirements and expectations of our customers, designing and implementing cost effective logistics solutions, uplifting the communities we operate in by creating employment, investing in skills development initiatives and thereby creating sustainability for all stakeholders.

THE VALUE VISION

To be recognised as the leading, innovative logistics service provider and the employer of choice in Southern Africa.



Footprint

BOARD STRUCTURE

Carl Stein (66)

Carl is a senior consultant in the corporate/ commercial department of Fluxmans attorneys, a well known law firm in South Africa. He has been a practising senior attorney throughout his business career, and is today regarded as one of South Africa's leading corporate lawyers. Carl became chairman of Value Group in 1998.

Steven Gottschalk (62)

Chief executive officer

Steven founded the business of Value Group in 1981. From its initial focus on truck rental and transport, Steven initiated the change in the Group's focus to that of a fully integrated logistics provider. Steven is integrally involved in the day to day operations and management of the Group.

Clive Sack (50)

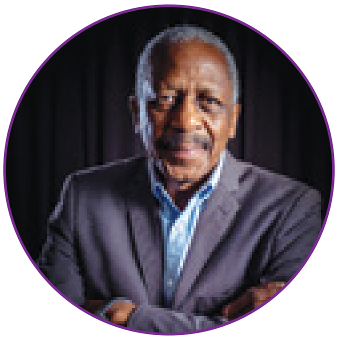
Group financial director, CA(SA)

Clive completed his articles at Mazars Moores Rowland in 1996. He remained on as an audit manager until 1998, whereafter he joined Value Group as Group financial manager. In May 2002, he was appointed to the board as Group financial director.

Mano Padiyachy (55)

Executive director

Mano started his working career in the warehousing and distribution industry at Royal Beechnut (Nabisco). He joined Value Group in February 2000 as contracts manager. He was then appointed as a divisional director in August 2004 and finally to the board in July 2007.



Mathews Phosa (68)

Non-executive director, LLB, Honorary PhD in law

Dr Mathews Phosa established the first black law firm in Nelspruit in 1981. He is a renowned strategic and business leader who has had an immeasurable impact on the lives of numerous South Africans. He led the military wing of Umkhonto we Sizwe from Mozambique and was part of the ANC delegation which successfully negotiated a peaceful transition into a fully democratic South Africa. Dr Phosa was elected as the first Premier of Mpumalanga Province in 1994 and went on to serve as the Treasurer-General within the Executive Committee of the ANC from 2007 to 2012. He has provided a sustainable legacy through his commitment to Special Olympics South Africa, Innibos Arts Festival and during his tenure as Chairperson of the Council of Unisa. Dr Phosa joined Value Group in October 2002 as an executive director and was subsequently appointed as a non-executive director in May 2010.

Velile Mcobothi (45)

Non-executive director (Independent), CA(SA), PLD (Harvard)

Velile has 21 years' investment banking experience in listed securities, Public Private Partnerships and private equity industries as advisor and investor. He currently runs Cinga Capital (Pty) Limited, an advisory and investment holdings business within the mid-cap sector. He was appointed as a non-executive director of Value Group Limited in November 2011 and an independent non-executive director in February 2012.

Mike Groves (75)

Non-executive director (Independent), CA(SA)

Mike was the managing director of Grindrod Limited until 1999. He has 38 years' experience in the shipping and transport industry. He acted as an independent non-executive director of Grindrod Bank Limited, as well as Grindrod Limited. Mike is a past president of SA Ship Owners Association. He was appointed as a non-executive director of Value Group in August 2002.

Bukelwa Bulo (43)

Non-executive director (Independent), CA(SA)

Bukelwa qualified as a Chartered Accountant (SA) in 2004 after completing a Postgraduate Diploma in Accounting and a Bachelor of Business Science with Honours in Accounting and Finance at the University of Cape Town. She also completed a Program of Leadership Development at Harvard Business School. Bukelwa worked in the private equity industry for over 12 years and co-founded Jade Capital Partners (Pty) Ltd, an investment holding company in 2013. Bukelwa currently serves as an independent non-executive director on the boards of and is a member of the audit committees of Capital Appreciation Limited, Netcare Limited and Sephaku Holdings Limited.

SERVICE OFFERING

In today's volatile market, companies' successes are dependent on a **robust distribution** channel that is able to provide a framework to deliver their goods effectively. The Value Group, with over **3 decades experience in supply chain solutions,** has become the supply chain partner of choice for many of South Africa's leading brands

Import & Export

Clearing & Forwarding | International Courier | Container Haulage Intermodal | Overborder | Crossborder

Distribution

Express Courier | Breakbulk | Retail Deliveries | DC Deliveries | Front Door Deliveries | Home Deliveries | Informal Trade | Forecourts | Dangerous Goods | Overborder | Crossborder | Reverse Logistics

Key Distributors

Supply of FMCG products into the convenience, formal & informal markets

Warehousing

Dedicated | Multi-Principal | Transhipment | Bonded | Dangerous Goods | Managed Solutions | Value Added Services

Materials Handling

Rentals | FML | Outright Purchase | Repairs & Maintenance | Spares Accessories | Tyres

Transport

Truck Rental | Refrigerated Fleet | Film Fleet | Mine Spec | FML | Linehaul | Dedicated Distribution

Repairs & Maintenance

Truck Repairs & Maintenance | Trailer Repairs & Maintenance | Forklift Repairs & Maintenance | Panel Beating | Branding

VALUE CREATION

VALUE ADDED

CAPITAL INPUTS

FINANCIAL CAPITAL

- R 798m equity
- R 189m interest-bearing debt
- R 846m lease liability

PEOPLE

- 3 636 employees

CAPITAL RESOURCES

- 4 343 Vehicles and forklifts
- National distribution network
- Approximately 350 000 square meters of warehousing nationally
- Integrated IT application and infrastructure platform

NATURAL CAPITAL

- Improve carbon emissions per kilometre
- Water recycling plants in Tunney, Cato Ridge and Joostenberg

INTELLECTUAL CAPITAL

- Logistics IP
- IT capability and solutions
- Expertise

SOCIAL AND RELATIONSHIP

- Committed to transformation with extension of BBBEE ownership transaction in July 2017
- Committed to the upliftment of disabled and unemployed youth by funding learnerships in order to upskill individuals for entry into the job market

VALUE ADDED ACTIVITIES

Service offerings on page 10

The Value Group, with over 3 decades experience in supply chain solutions, has become the supply chain partner of choice for many of South Africa's leading brands.

The operating divisions specialise in providing a diversified range of supply chain services, which encompass distribution, transport, clearing and forwarding, warehousing, fleet management, materials handling and commercial vehicle rental and full maintenance leasing. The Group's retail segment supplies FMCG products into the convenience, formal and informal market.

Value's service offerings have been developed with focus on and utilisation of divisional expertise, the Group's current and evolving intellectual property base, highly skilled labour, advanced monitoring systems, IT interfaces and a national distribution infrastructure thereby enabling fully integrated supply chain service offerings.

Customers benefit from the advantage of Value's size and infrastructure. Value offers an integrated IT platform, labelling and bar coding facilities, sophisticated routing and scheduling, as well as 24-hour vehicle and parcel tracking and management.

The Group invests in a modern fleet which is maintained mostly in-house to manufacturer's standards and operated optimally.

The Group is committed to the development and upliftment of its employees as well as the communities in which the Group operates.

KEY RISKS MANAGED

Risk management on pages 56 to 58

Liquidity and funding risk

Market risk

Staff succession risk

Labour and supply disruption risk

Regulatory compliance risk

Information technology risk

The Group depends on various resources and relationships to create value. These resources and relationships take the form of capital inputs available to the Group. The long term sustainability of the Group depends on the use of these capital inputs, its impact on the Group and the resultant value that is created.

VALUE CREATED

FINANCIAL VALUE CREATED

Economic performance
on pages 21 to 23

Group revenue up by 4% to R2,88bn.

Operating profit up by 1% to R258m.

Net financing costs down by 16% to R88,5m.

R136m net reduction in lease liability.

Headline earnings improved by 22% to 92,2 cents per share.

Net asset value increased by 9% to 564,6 cents per share.

The Group's debt:equity % (net of intangibles) remains low at 24%, which is within the Group imposed maximum of 40-60%.

Cash balances increased by R86,6m, after taking into account outflows of R165,4m for capital purchases and R13,2m for share repurchases.

STAKEHOLDER VALUE CREATED

Stakeholder engagement, environment and people
on pages 24, 34 and 26

R1 460,3m in value created

Customers

- Building long term relationships with our customers by understanding their unique logistical requirements and expectations and implementing and structuring specific cost effective logistics solutions.
- Organic growth in the customer base achieved by management's strategic initiatives.
- Successful cross selling of Group services

Shareholders

- Headline earnings improved by 22% to 92,2 cents per share.
- Full year dividend maintained at 40 cents per share.

Employees

- Paid R927,9m to employees.
- Transformed workforce with 86% black staff representation.
- 1 669 training interventions conducted for the year.
- A total of 1 717 learners successfully completed the Learnership programmes since 1 March 2008 to date.

Regulators

- R40,8m in direct tax contributions.
- Maintained a level 3 BBBEE rating.
- Complied with laws and regulations.

Communities

- Carbon emissions improved from 0,52 kgs per kilometre in the previous year to 0,5 kgs per kilometre in the current year.
- More than R1 million spent on socio-economic causes.
- The current year's Learnership programme includes 72 unemployed learners and 88 disabled learners.
- Since inception of the learnership programmes in March 2008, a total of 2 274 learners have been enrolled into the various learnership programmes.

COMBINED CHIEF EXECUTIVE OFFICER'S AND GROUP FINANCIAL DIRECTOR'S REPORT

FINANCIAL REVIEW

The Board is pleased to advise that the Group produced an increase in earnings for the 12 months ended 29 February 2020.

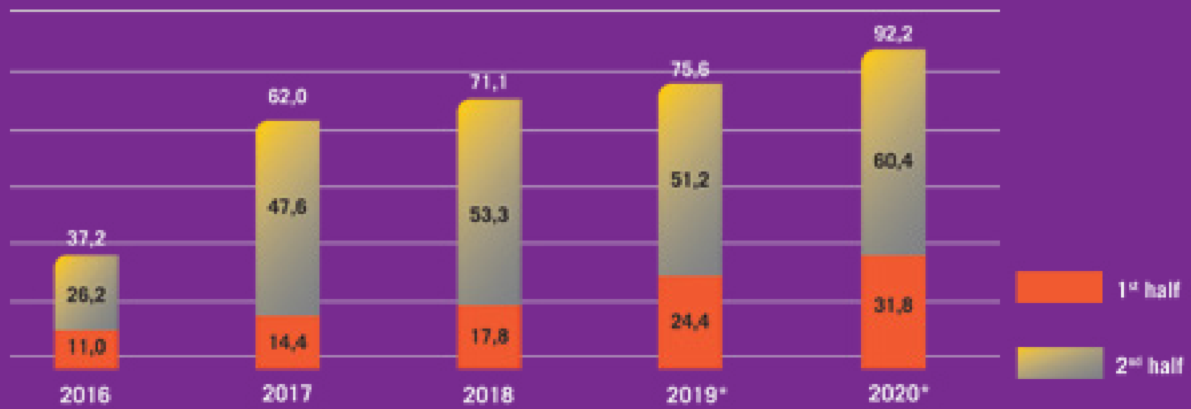
The poor economic conditions have proven to be very challenging with consumer demand, volume and pricing pressures affecting the wholesale and certain logistics divisions within the various segments. Volume decline was however partially mitigated by management's strategic initiatives of growing the customer base organically in addition to cross selling of Group services which contributed to revenue increasing by a marginal 4% from R2,78 billion to R2,88 billion.

Gross profit increased by 7,4% to R947,8 million due to management's ongoing focus on improving operational efficiencies in addition to improved planning and maintenance cost savings. As a result, gross profit margins improved from 31,7% to 32,9%. Salary and marketing cost increases partly tempered the increase in gross profit resulting in operating profit increasing by 0,9% to R257,7 million.

The Group adopted IFRS16 effective 1 March 2019 whereby a right-of-use asset and an associated liability is raised for its operating leases. The nature of these expenses relates to a depreciation charge on the right-of-use assets and an interest expense on the lease liabilities. Previously, the Group recognised operating lease expenses on a straight line basis over the term of the leases. The Group applied the full retrospective approach in its adoption of IFRS16 which requires the restatement of comparative financial information. As a result, the Group benefitted from a reduced interest cost in comparison to the previous restated period due to a reduction of the capital outstanding on lease liabilities.

The Group also benefitted from a reduction in the effective tax rate from 25,8% to 24,3% due to the comparative period's inclusion of an under-provision pertaining to a prior period and the receipt in the current period of an allowance for energy efficiency savings.

The combined effects of the above has contributed to headline earnings per share increasing by 22% to 92,2 cents per share. The Group has seen a steady increase in headline earnings per share over the past five years as reflected below:

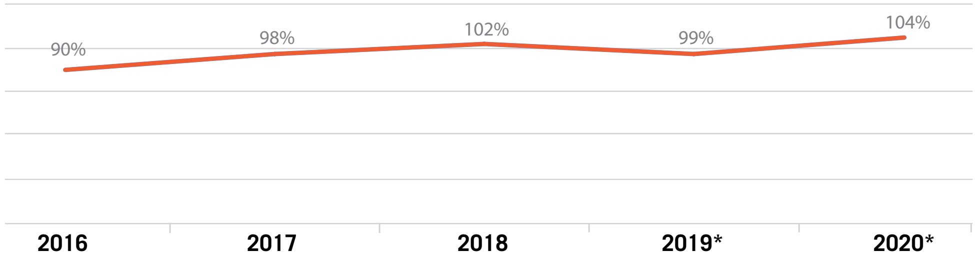


Amounts stated in cents

** IFRS 16 applied*

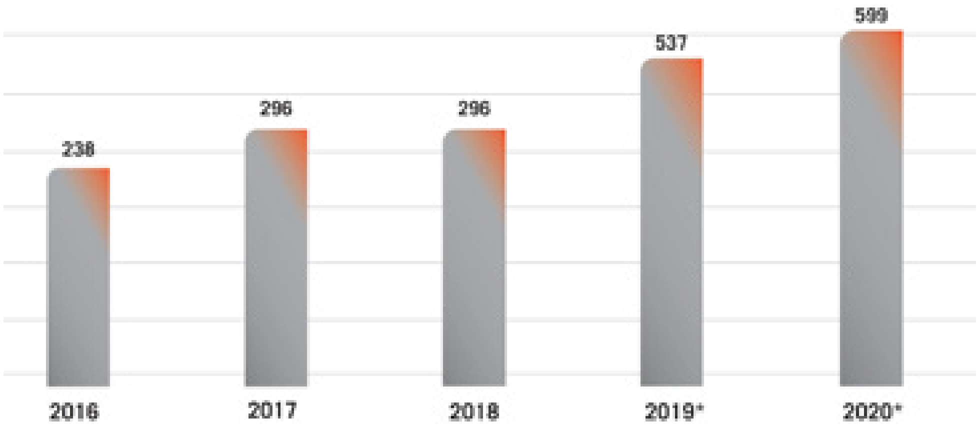
Notwithstanding increased working capital requirements from the accelerated payment cycle on conversion of the remaining labour broker staff to permanent employees, minor increases in inventory and receivable balances from growth in the customer base and ongoing focus on working capital management yielded improved cash flow results. Debtors collections during the second half of the financial year were very strong and exceeded expectations. In addition, the Group generated record proceeds on disposal of older vehicles amounting to R59,1 million. Consequently, cash generated by operations increased by 12% to R598,7 million.

The Group's cash conversion ratio demonstrates that the business has good liquidity and shows the extent of conversion of operating profits into cashflows with an increasing trend over the past five years, as reflected below:



** IFRS 16 applied*

The increase in cash generated by operations over the past five years is reflected below:



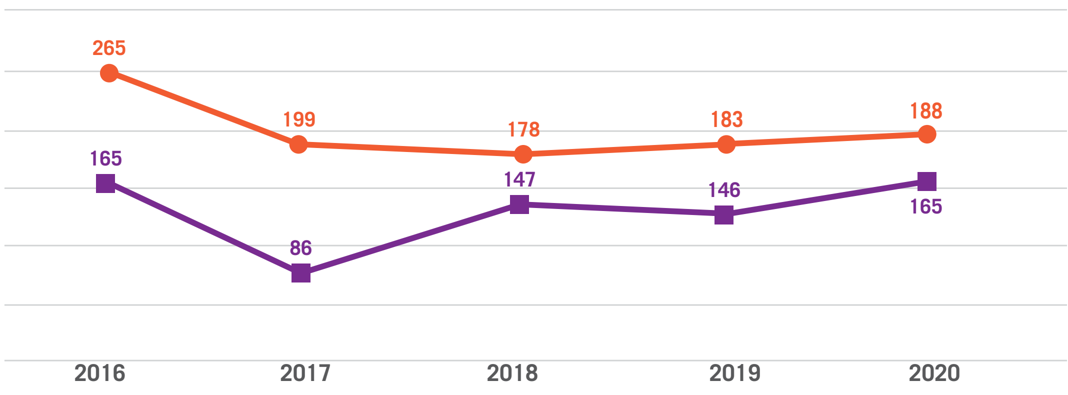
Amounts stated in R million

** IFRS 16 applied*

In previous years, the Group recognised operating lease expenses on a straight-line basis over the term of the leases, reflected under operating activities. With the adoption of IFRS 16, capital repayments of the lease liability are now reflected as an outflow from financing activities. Hence in 2019 and 2020, the cash generated by operations are higher than that disclosed in previous years.

In contrast to previous years, a substantial portion of the Group's capital expenditure was incurred in the first half in order to improve vehicle planning for the peak period. Total expenditure amounted to R165,4 million and comprised R117,1 million for vehicles, R24,6 million for materials handling equipment, R8,2 million for plant and equipment and accessories and R15,5 million for IT hardware and software. Although positive cash balances were effectively utilised to fund over 90% of the capital expenditure in addition to the R13,2 million spent on share repurchases, the improvement in cash generated by operations resulted in cash resources at year end increasing by a significant R86,6 million to R262,6 million.

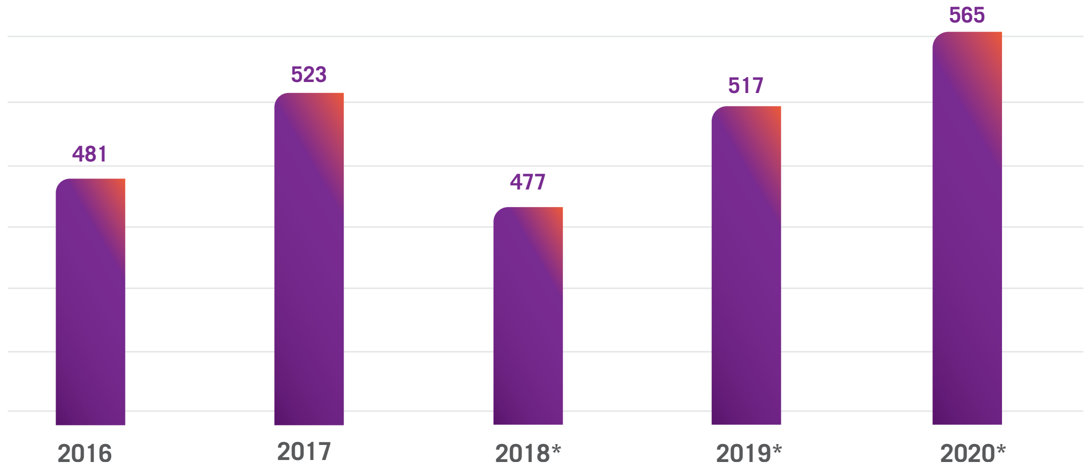
As Group liquidity continues to improve, increased cash balances are utilised to fund capital expenditure with less reliance being placed on additional debt facilities, thus maintaining the level of capital expenditure in relation to debt within a narrow band. The Group expects this trend to continue into the future. The relationship between capital expenditure and asset-based interest bearing debt is reflected below:



Amounts stated in R million

COMBINED CHIEF EXECUTIVE OFFICER'S AND GROUP FINANCIAL DIRECTOR'S REPORT (Continued)

Net asset value increased by 9% to 564,6 cents per share. The growth in the net asset value per share is reflected below.



Amounts stated in cents

** IFRS 16 applied*

The net asset value for 2018 is much lower than that of 2017, 2019 and 2020 due to the initial application of IFRS 16 which results in a higher debt and interest cost in earlier years. This is directly related to the maturity of the leases. As the leases matures, the capital debt outstanding and associated interest cost reduces. Increases in net asset value is also attributable to growth in equity of the Group.

FINANCIAL RATIO ANALYSIS

The Group sets targets on a combination of key performance ratios to assess financial performance, funding levels and returns, as follows:

	Target	2020*	2019*	2018	2017	2016
Gross profit (%) - Note 1	≥ 35	**33**	32	31	33	39
Operating margin (%) – Note 2	≥ 8	**9**	9	6	6	4
After tax return on average equity (%) - Note 3	≥17,5	**17**	15	12	11	7
Debtor days (excluding effects of clearing and forwarding)	≤ 40	**31**	36	42	35	39
Current ratio	0,9 – 1,0	**1,10**	1,04	0,98	1,16	1,03
	Group imposed maximum	**2020***	2019*	2018	2017	2016
Asset-based debt: equity (%) - Note 4	40 - 60	**24**	25	25	26	37

** IFRS 16 applied*

Note 1: Ongoing focus on improving operational efficiencies in addition to improved planning and maintenance cost savings contributed to gross profit margins improving from 31,7% to 32,9%. Gross profit increased by 7,4% to R947,8 million.

Note 2: Operating margin has slightly reduced in comparison to the previous year due to overhead costs increasing disproportionately to revenue and other income. Salary, marketing and other overhead inflationary increases resulted in operating expenses increasing by 7,4% from R672,8 million to R722,7 million. Revenue only saw growth of 4%, from R2,78 billion in the previous year to R2,88 billion in the current year, while other income reduced from R45,7 million in the previous year to R32,6 million in the current year.

Note 3: The after tax return on average equity is just below the target of 17,5 and has been steadily increasing over the past five years.

Note 4: The Group's asset-based debt: equity ratio (excluding intangibles and the effect of IFRS 16), remains low at 24% which is well below the Group's 40% to 60% board-imposed maximum acceptable debt: equity level.

OPERATIONAL REVIEW

General Distribution segment

The poor economic climate continues to impact a large portion of the customer base and associated volumes. This was and continues to be exacerbated by competitor and customer rate pressures. Management's ongoing focus on continuous improvement and operational changes in the freightpak and logistics divisions and procuring new customers in the warehousing, dedicated distribution and logistics divisions yielded positive benefits which ensured improved utilisation of facilities, curtailed general volume decline and associated rate reductions. In addition, cross selling of certain distribution services yielded positive benefits to the segment. Consequently, external revenue increased by 4,9% from R1,737 billion to R1,822 billion. Revenue growth, operational savings and improved efficiencies contributed to operating profit increasing by 12,9% from R178,5 million to R201,5 million and operating margins improving from 10,3% to 11,1%.

Various divisions in the segment still have available capacity to handle more volumes without increasing costs and are constantly working on creating further efficiencies within these structures.

Truck Rental and other segments

The muted demand for truck rental services has resulted in a highly competitive market with rates being heavily discounted in certain areas. In contrast, despite difficult trading conditions, the clearing and forwarding division maintained a high level of service and has grown its customer base and associated revenues. Its relationships with overseas agencies have yielded positive results, enabling international exposure for the Group. The materials handling division has also performed well after undergoing a restructuring exercise over the last two years. As a result of the above, external revenue remained relatively static at R380,9 million. Truck rental rate pressures to improve vehicle utilisation and an increased variable and overhead cost base however, reduced the segment's operating margins from 17,5% to 14,5% with operating profit reducing from R65,7 million to R55,3 million.

Retail Logistics segment

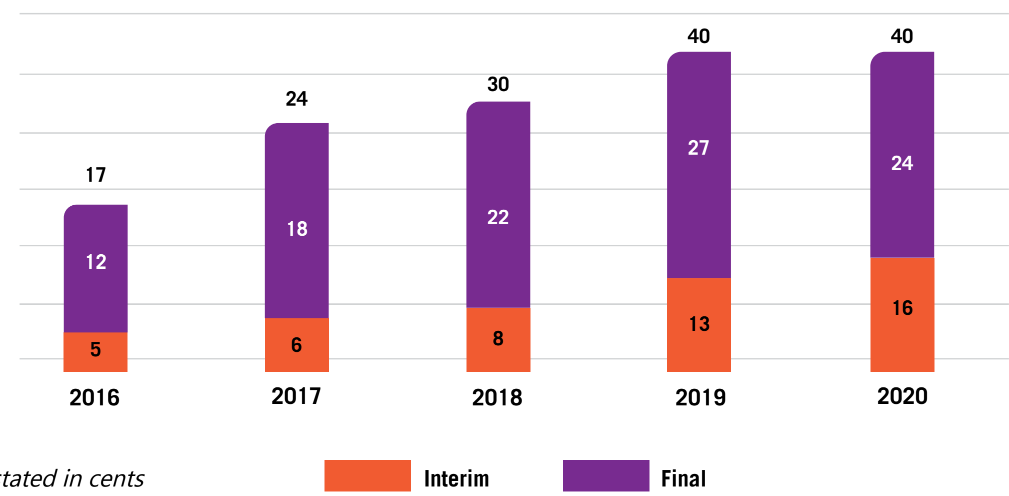
Very tough trading conditions due to reduced consumer disposable income, particularly in the informal sector, has resulted in external revenue remaining relatively flat at R670,9 million. Margin pressures increased which was exacerbated by certain supplier amendments to rebate structures thus contributing to increased product procurement costs. Additional costs were incurred in growing revenue in new markets and areas. As a result, operating income reduced from R12,7 million to R2,8 million. Management remain confident that the business has good potential, with various corrective initiatives having been implemented to improve margins and profitability.

SHARE REPURCHASES

During the 2020 financial year, 2 368 106 shares were acquired at a cost of R13,2 million. Subsequent to February 2020, 2 607 588 shares were repurchased at a cost of R10,9 million. The average acquisition cost per share amounts to R4,84 per share. The Group's subsidiary currently holds 11 995 290 ordinary shares in treasury which represents 6,9% of ordinary shares in issue. The Group will continue to repurchase shares as the opportunities arise.

DECLARATION OF DIVIDEND (NUMBER 27)

The Group's net cash position is highly positive with access to adequate banking facilities should the need arise. Accordingly, the Group had sufficient cash balances to increase its final dividend, however, due to the uncertainty of COVID-19, the Board considered that a more conservative approach be adopted and therefore on 12 June 2020 declared a reduced gross final dividend for the six months ended 29 February 2020 of 24 cents per ordinary share which will be paid out of distributable reserves. This dividend is covered 2,52 times by second half headline earnings. This final dividend will result in a total dividend declared for the 2020 financial year amounting to 40 cents per share which equates to the total dividend declared for the 2019 financial year. The total dividends per ordinary share declared over the past five years is as follows:



Amounts stated in cents

FUTURE CAPITAL EXPENDITURE

Budgeted capital expenditure for the 2021 financial year is anticipated to amount to R167,4 million and comprises R109,4 million for vehicles, R32,7 million for forklifts and accessories and R25,3 million for IT and other costs. The capital expenditure is considered necessary mainly for the replacement of older vehicles, the anticipated growth in the forklift division and the various IT upgrade projects in progress across the Group's major applications. The capital expenditure will be funded by internally generated cash flows and interest bearing debt where required.

SOCIAL RESPONSIBILITY

The Group acknowledges the importance of its role regarding corporate social responsibility and has a balanced approach to address economic, environmental and social issues that aim to make a positive and lasting impact on the lives of others.

Beneficiaries to the Group SED programme are carefully selected based on various criteria and were as follows:

Hearts of Hope

Is a non-profit organisation (NPO) and a non-profit company (NPC) that strives to enhance the lives of orphaned, abandoned and vulnerable children through quality individual care and development. The organisation provides a home to 34 children and has cared for a total of 136 children since 2008. The organisation is also equipped with an early childhood development centre.

Seeds of Africa

Seeds of Africa is a non-profit, public benefit organisation aiming to maximise the positive socio-economic transformation impact on previously disadvantaged communities through enterprise, supplier development and early childhood development. This organisation trains teachers and caregivers to ensure that their objectives are met.

Peninsula School Feeding Association

Peninsula School Feeding Scheme (PSFA) is a 62 year old registered non-profit organisation based in the Western Cape that addresses hunger in young learners attending primary, secondary and special-needs schools, as well as orphaned and vulnerable children centres, early development centres and technical and vocational educational and training colleges. The organisation has to date provided over 1,7 billion nutritious meals to children affected by poverty.

Royal Drakensburg Primary School

This school is attended mostly by children from the local village and provides them with an opportunity to complete the vital foundation phase of learning. Over the past ten years in operation, the school has grown from just 16 children to well over 80.

Khanyisela Northern Drakensburg Projects

Khanyisela Projects aim to improve the lives of over 650 preschool children across 17 preschools in the Northern Drakensburg in KwaZulu-Natal. The Group's involvement related to a teachers training project whereby teachers are assessed on a yearly basis to ensure constant improvement in knowledge and skills. In excess of 20 teachers have completed their Level 1 in early childhood development training and a further 20 have graduated from Level 4.

Corrie Lynn Primary School – Midlands KwaZulu-Natal

The school which caters for mostly the children of farmworkers currently has 71 children enrolled. The Value Group provided flushing toilets, classroom chairs and much needed school shoes to the learners.

Skills Development Initiatives

The Group is committed to the development and upliftment of its employees as well as the communities in which the Group operates.

General Training

The Group continues to actively drive and support all areas of staff development and training, encouraging a career driven culture in support of succession planning. This ensures the preservation of valuable company history, knowledge and experience. The Group continues with its various training programmes including formal courses, on the job training and the awarding of bursaries for further studying.

Learnership Programmes

The Group embarked on formal learnership programmes in March 2008 with a vision of building a talent pool in the Group and contributing skilled labour to South African economy as well as providing much needed industry specific skills to unemployed and disabled youth.

As at February 2020, 195 learners consisting of 35 employed, 72 unemployed youth and 88 disabled unemployed youth, successfully completed the various programmes which commenced on 1 March 2019. Since inception of the learnership programmes in March 2008, a total of 2 274 learners have been enrolled into the various learnership programmes and as at the end of February 2020, 1 717 have successfully completed a learnership programme.

THE GROUP'S RESPONSE TO COVID-19

The Group has implemented stringent SHEQ compliance procedures to ensure the health, safety and wellbeing of its employees in order to fulfil its part in controlling and eradicating the spread of the COVID-19 pandemic. These measures entailed the following:

- Where possible, staff have been encouraged and continue to work from home.
- COVID-19 policies have been issued covering all areas aimed at safeguarding the Group's employees against the virus.
- Ongoing electronic and visual educational communication campaigns reinforcing employee compliance with the need for social distancing and proper hygiene practices.
- Sanitizers have been placed at all exits and entrances and the provision of face masks to employees.
- Temperature screening of all individuals entering any of the Group's premises.
- Face-to-face meetings are discouraged and have been substituted by the extensive use of electronically facilitated meetings.

Aside from preventing the spread of the virus, extensive focus has been applied in safeguarding the sustainability and operations of the Group. In this regard, the Group implemented the following measures to preserve cash balances:

- Immediate reduction of fixed and variable costs to align to trading activity where possible.
- Deferral of the final dividend decision for the year ended 29 February 2020 pending trading and cash flow outcomes during level 4 and level 5 lockdown.
- Planned salary and board fee increases in March 2020 were frozen throughout the Group.
- The application for government assistance in the form of the Temporary Employer Relief Scheme (TERS) in order to compensate employees who were on unpaid leave. Where possible, employees were rotated during unpaid leave periods to ensure that a portion of their salary could be earned.

In order to assess going concern and establish the need to draw on facilities, a number of comprehensive trading scenarios were prepared in order to understand the effects on cash inflows and outflows. Cash flows and cash balances, essential for the sustainability of the Group during this period of uncertainty, were thus subject to stringent sensitivity analyses. To date, the extent of the Group's cash resources materially exceeds that budgeted. The Group is solvent and has adequate cash resources and banking facilities available to continue trading into the future.

PERFORMANCE SUBSEQUENT TO YEAR END

Trading performance subsequent to year end has been affected by COVID-19. The Group continues to deal with these challenges noting the following:

- There has been no significant increases in credit risk as customers have generally continued to pay in accordance with agreed credit terms. The Group has successfully engaged with those customers where payments were delayed.
- Trade creditors have been settled without any extension of terms. In addition, the Group's tax returns have been submitted and paid on time in accordance with regular business practice without requiring any form of financial assistance, either from financial institutions or government relief.
- Disposal of older assets has gained momentum with proceeds realised being similar to that achieved in the previous financial year.

Accordingly, no significant impairments to any of the Group's assets are currently required as a result of the COVID-19 lockdown measures.

COMBINED CHIEF EXECUTIVE OFFICER'S AND GROUP FINANCIAL DIRECTOR'S REPORT (Continued)

The implementation of level 5 lockdown from 27 March 2020 to 30 April 2020, resulted in a material reduction in revenue. The Group was designated as an essential service provider and was permitted to provide services to a limited number of customers supplying essential goods. Accordingly, April 2020 revenue was 32,6% below that of April 2019. As lockdown restrictions eased to level 4 in May 2020, more of the Group's customers were permitted to trade which resulted in a material increase in revenue compared to April 2020. Revenue in May 2020 was only 5,3% down on May 2019. Notwithstanding the aforementioned reduction in revenue, profitability was materially better than expected albeit less than last year. From 1 June 2020, with the shift to less restrictive level 3 lockdown, the Group became almost fully operational.

PROSPECTS

The full economic impact of COVID-19 on consumer disposal income, associated demand and the economy is unknown and can be negatively affected should the country revert to the previous highly restrictive lockdown levels. Consequently, COVID-19 will have an effect on the Group's 2021 results. Despite the damaging effects of COVID-19, the Group's business characterized by low debt levels, substantial asset base and the ability to generate positive cash flows will ensure its sustainability into the foreseeable future. The challenges associated with the impact of COVID-19 will be partially negated due to the Group's profitable business model, whereby logistics services across multiple divisions are supplied to a diverse range of customers within various industrial sectors. The Group is resilient and well positioned to adapt and grow in this changing environment. In this light, the Group has been successful in growing its customer base with the on-boarding of a number of new customers in the current financial year. Lastly, further improvements in certain operations should contribute to improved profitability and sustainability in the years ahead. Any reference to future financial performance included in this report has not been reviewed nor reported on by the Group's auditors.

CHANGE IN DIRECTORATE

We are saddened to advise that Mr Mike Groves will be retiring at the next annual general meeting. We sincerely thank Mr Groves for his insight, wisdom and valuable contribution to the Group's board over the last 18 years. Mr Groves will be missed.

We would like to welcome Ms Bukelwa Bulo as an independent non-executive director of the board and member of the audit and risk and social and ethics committees. Ms Bulo is a chartered accountant with 12 years experience in the private equity environment. Ms Bulo brings a wealth of experience and knowledge associated with her appointments on various other listed companys' boards. We look forward to her contributions.

ACKNOWLEDGEMENTS

A tremendous amount of gratitude is owed to all of our customers, suppliers, investors and other key stakeholders for their continued support of the Group in these uncertain times.

With the aid of our staff members, the Group continued to provide services to certain customers who were designated as essential service providers during level 5 and 4 lockdown. A big thank you to all staff members for your ongoing dedication and commitment during these challenging times and throughout the 2020 financial year, which contributed to ensuring that the Group achieved a continued improvement in its results.

Lastly, thank you to the management team and board of directors for steering the Group through these unchartered territories. The business has had to adapt quickly to challenging operating conditions and will succeed through this with your sound leadership at the helm.

SD Gottschalk
Chief executive officer

CL Sack
Group financial director

Johannesburg
6 August 2020

ECONOMIC PERFORMANCE

R'000	2020	2019***	2018**	2017*	2016*
Consolidated statement of comprehensive income					
Revenue	**2 879 500**	2 779 675	2 513 241	2 468 923	2 043 994
Gross profit	**947 780**	882 446	787 025	815 550	798 367
Operating profit before once-off BBBEE equity transaction costs	**257 701**	255 284	155 438	143 264	85 641
Once-off BBBEE equity transaction costs	**-**	-	(19 003)	-	-
Operating profit	**257 701**	255 284	136 435	143 264	85 641
Share of profit (loss) of equity accounted investee net of taxation	**(14)**	(13)	23	44	79
Fair value adjustments	**(1 024)**	(2 625)	331	(509)	1 939
Investment income	**7 353**	4 293	3 386	1 594	14 060
Finance costs	**(95 845)**	(109 226)	(17 553)	(24 046)	(30 932)
Net profit before taxation	**168 171**	147 713	122 622	120 347	70 787
Taxation	**(40 805)**	(38 047)	(40 648)	(36 740)	(16 602)
Net profit for the year	**127 366**	109 666	81 974	83 607	54 185
Consolidated statement of financial position					
Property, vehicles, plant and equipment	**993 796**	1 003 231	1 004 903	990 573	1 039 515
Right-of-use-assets	**608 646**	758 330	906 223	-	-
Intangible assets	**13 528**	10 981	10 603	12 655	17 415
Goodwill	**16 561**	16 561	16 561	20 152	10 670
Investments and loans	**2 699**	3 078	1 955	1 925	2 089
Deferred tax asset	**5 811**	5 365	5 050	3 161	4 759
Current assets	**697 777**	599 564	553 514	502 371	438 562
Non-current assets held-for-sale	**201**	797	116	10 701	156
Total assets	**2 339 019**	2 397 907	2 498 925	1 541 538	1 513 166
Equity	**798 167**	740 980	713 591	799 598	741 161
Interest-bearing borrowings - non current	**135 963**	125 475	108 601	121 341	163 346
Lease liabilities - non current	**656 513**	837 318	981 652	-	-
Deferred tax liability	**113 312**	119 131	129 445	181 192	177 836
Current portion of interest-bearing borrowings	**52 770**	57 219	69 227	77 703	101 144
Lease liabilities - current	**189 444**	144 334	112 555	-	-
Non interest-bearing borrowings	**-**	-	3 268	15 607	5 576
Other current liabilities	**392 850**	373 450	380 586	346 097	324 103
Total equity and liabilities	**2 339 019**	2 397 907	2 498 925	1 541 538	1 513 166

* Results extracted from the financial statements as presented in each year and in accordance with the relevant International Financial Reporting Standards applicable at the time.

** Statement of financial position has been restated for the effects of IFRS 16 while the statement of comprehensive income has not been restated.

*** Restated for the effects of IFRS 16.

ECONOMIC PERFORMANCE (Continued)

FINANCIAL STATISTICS AND RATIOS

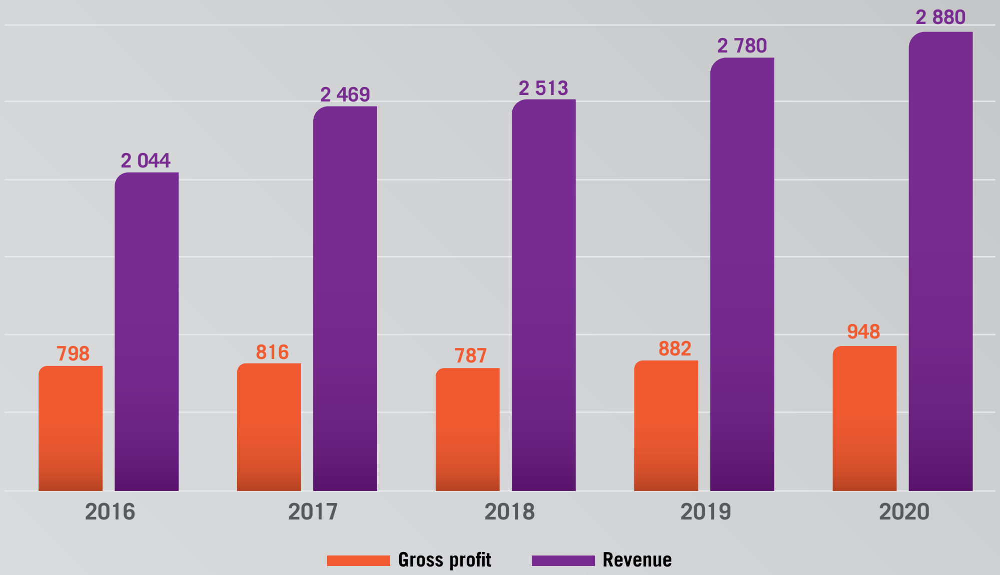
	2020	2019***	2018**	2017*	2016*
Earnings					
Basic earnings per share (cents)	**89,5**	73,2	54,8	57,2	35,4
Headline earnings per share (cents)	**92,2**	75,6	58,7	61,9	37,2
Normalised headline earnings per share (cents) excluding once-off BBBEE equity transaction costs	**92,2**	75,6	71,1	61,9	37,2
Dividends per share (cents):	**40,0**	40,0	30,0	24,0	17,0
Interim	**16,0**	13,0	8,0	6,0	5,0
Final	**24,0**	27,0	22,0	18,0	12,0
Number of ordinary shares of R0,001 each in issue:					
Actual	**172 635 000**	172 635 000	186 427 478	186 427 478	186 427 478
Weighted average	**142 372 490**	145 284 191	152 191 958	154 388 749	155 216 667
Financial					
Cash generated by operations (R'000)	**598 748**	536 608	291 323	281 989	234 052
Interest cover	**3**	2	10	6	5
Dividend cover (based on normalised headline earnings)	**2,31**	1,89	2,37	2,58	2,19
Net asset value per share (cents)	**564,6**	516,9	477,0	522,5	480,8

* Results extracted from the financial statements as presented in each year and in accordance with the relevant International Financial Reporting Standards applicable at the time.

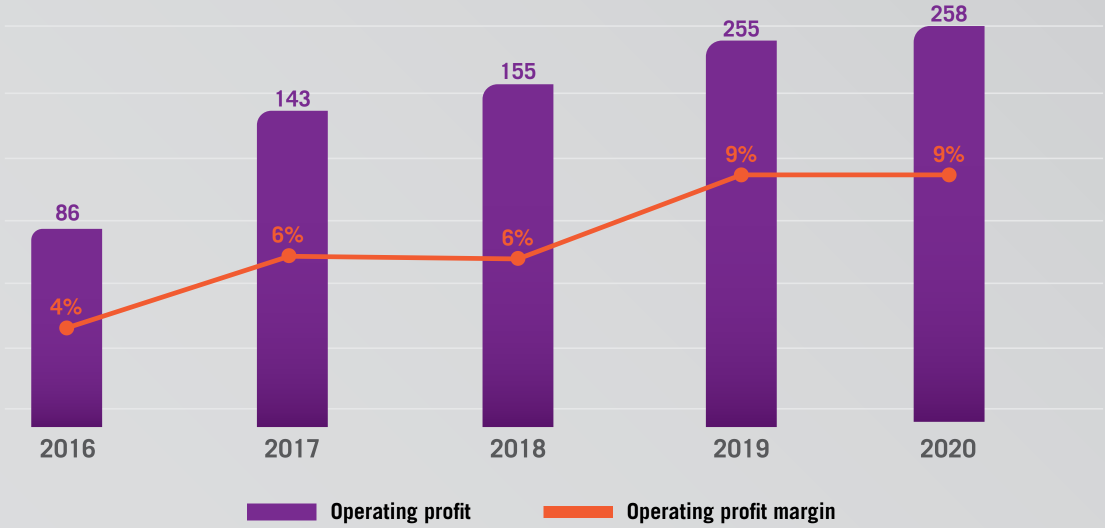
** Statement of financial position has been restated for the effects of IFRS 16 while the statement of comprehensive income has not been restated.

*** Restated for the effects of IFRS 16.

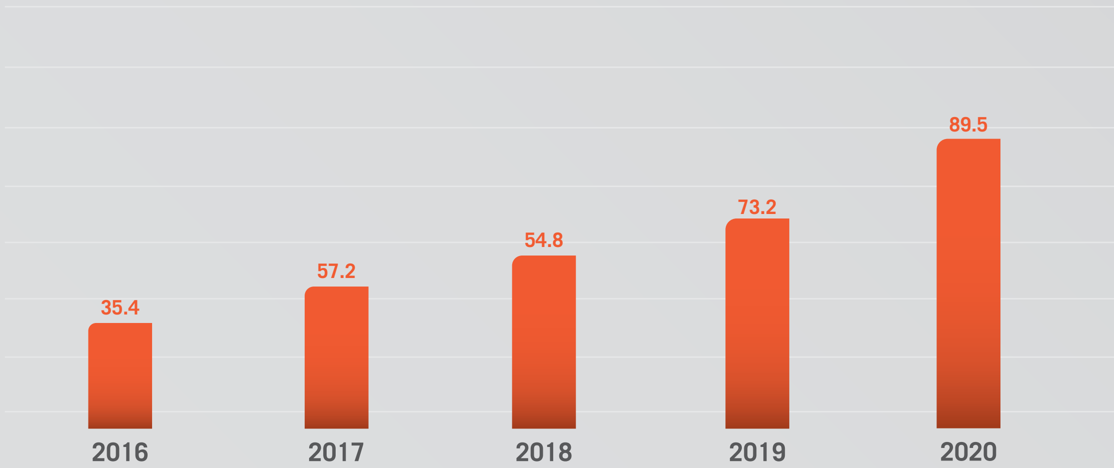
REVENUE AND GROSS PROFIT
(R MILLION)



OPERATING PROFIT (R MILLION) AND OPERATING PROFIT MARGIN (%)



BASIC EARNINGS PER SHARE (CENTS)



Note: Results for 2016 and 2017 have been extracted from the financial statements as presented in each year and in accordance with the relevant International Financial Reporting Standards applicable at the time. For 2018, the statement of financial position has been restated for the effects of IFRS 16 while the statement of comprehensive income has not been restated. Results for 2019 have been restated in full for the effects of IFRS 16.

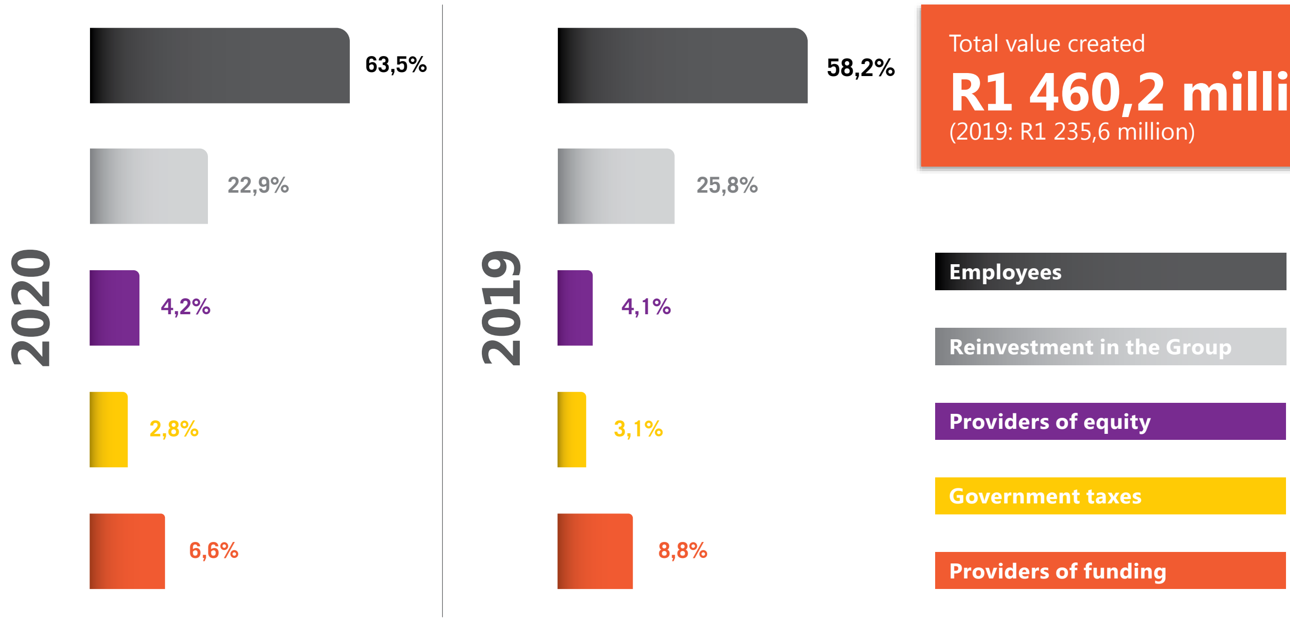
STAKEHOLDER ENGAGEMENT

The Group is accountable to all its stakeholders and acknowledges that communication is vital to ensure that an honest and transparent relationship exists.

Significant matters identified with our various stakeholders are detailed below:

STAKE-HOLDER	REASON WE ENGAGE	METHOD OF ENGAGEMENT	HIGHLIGHTS ON ENGAGEMENT PROCESS
EMPLOYEES	To maintain a high performance work force and ethic	Formal engagement • The Group's performance review process which is aimed at staff development together with the various ongoing training initiatives; and • Health and safety and HIV/Aids awareness campaigns. Informal engagement takes place on an ongoing basis and includes the use of: • newsletters; • ad hoc HR questionnaires; • corporate and one-on-one communication; and • e-mails and intranet. The Group is a member of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) which empowers stakeholders to negotiate matters that are of mutual interest to the industry.	The performance review process continues to provide valuable feedback to enable employees to constantly improve their performance in their job functions whilst additionally enabling them to express their viewpoints to management. This also facilitates career development. The Group remains compliant with the various labour related acts and continues to provide learnerships and training to employees.
CUSTOMERS	To build long-term relationships with customers for the mutual benefit of both parties	Logistics solution specialists assists in designing cost effective supply chain solutions taking cognisance of customer specific requirements. Similarly, ongoing operational engagement is performed in meeting the unique needs of different customer requirements.	Volume decline was partially mitigated by management's strategic initiatives of growing the customer base organically in addition to cross selling of Group services which contributed to revenue increasing by a marginal 4% to R2,88 billion.
SUPPLIERS	To ensure provision of goods and services in a responsible and cost effective manner	Suppliers are engaged regarding pricing and service level agreements where required for the procurement of essential goods and services such as FMCG products for resale, fuel, tyres, vehicle spares, vehicles, material handling equipment, sub-contracting services and outsourced staff.	The Group negotiated with suppliers for the timely procurement of essential supplies at cost effective rates.
INVESTORS	Timely and transparent communication	The Group's interim and final results are published in the media followed by analyst presentations conducted by the Chief executive officer and Group financial director. The Group engages with shareholders and investors in various ways regarding the safeguarding of their interests and includes the distribution of circulars and press releases which provide relevant information related to disclosable and material transactions as required by the JSE listing requirements.	Due to the disruption caused by COVID-19, the Group's ability to complete the necessary work required to finalise its annual reviewed results by 31 May 2020 and distribute its integrated annual report by 30 June 2020 was severely constrained. The Group placed reliance on the FSCA Market Notice issued on 3 April 2020, which announced that issuers with year-ends of 31 December 2019, 31 January 2020, 29 February 2020 and 31 March 2020 would receive temporary relief of two months within which to complete their year-end financial report process should this be required. The Group has utilised this temporary relief and has complied with the reporting time frames.
COMMUNITY	To ensure the Group impacts positively to the environment in which it operates	The Group acknowledges the importance of building sustainable communities and engages with the community on aspects of socio-economic development on a continuous basis. The Group's engagement with the community is discussed further in the social investment commentary contained in this report.	Refer to pages 43 to 45.

VALUE ADDED STATEMENT



Total value created

R1 460,2 million

(2019: R1 235,6 million)

GENERATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

This statement reflects the total value created by the Group and how this value was subsequently distributed to its various stakeholders.

R'000	**%**	**2020**	%	2019
Revenue		**2 879 500**		2 779 675
Less: purchased cost of goods and services		**(1 426 603)**		(1 548 397)
Value added		**1 452 897**		1 231 278
Finance income		**7 353**		4 293
Value created	**100,0**	**1 460 250**	100,0	1 235 571
Employees	**63,5**	**927 930**	58,2	718 723
Reinvestment in the Group	**22,9**	**334 379**	25,8	318 641
Providers of equity	**4,2**	**61 291**	4,1	50 934
Government taxes	**2,8**	**40 805**	3,1	38 047
Providers of funding	**6,6**	**95 845**	8,8	109 226
Value distributed	**100,0**	**1 460 250**	100,0	1 235 571
Number of employees		**3 636**		2 843
Value created per employee R'000*		**402**		435
Weighted average number of shares		**142 372 490**		145 284 191
Value created per share in Rands		**10,26**		8,50

* Value created per employee reduced due to the increase in permanent employees resulting from the conversion of permanent labour broker staff to permanent employees of the Group.

PEOPLE

At Value Group, we believe that our employees are our most important asset and are vital in ensuring that the Group achieves its goals. As a responsible corporate citizen, the Group remains committed to ethical leadership by ensuring our staff are afforded opportunities to grow to their full potential. Our aim is therefore to nurture and promote our employees and to create a constructive work environment, ensuring that we retain the most competent and capable individuals within the Group. Our people are essential to successful delivery of the Group's strategy and objectives, both short and long term.

RECRUITMENT AND SELECTION

Manpower planning is an integral part of the Group's people strategy and remains key in ensuring that the organisation has the right level and mix of suitably qualified individuals who will be capable of ensuring that the Group's current and future objectives are fulfilled.

The Group's recruitment policy and procedures are based on the following:

- a manpower committee reviews requests for all new and replacement positions to ensure that the structural need caters adequately for operational requirements within the required staff costing parameters;
- positions are advertised internally in order to grant the Group's employees equal opportunity to apply for vacant positions;
- recruitment is conducted by utilising competency based recruitment and selection methods;
- various assessment tools are utilized and where needed psychometric testing is applied to ensure the best-fit candidate for the position;
- internal and external appointments follow a transparent recruitment and selection process;
- fair and non-discriminatory recruitment and selection practices forms the foundation of recruitment and selection process; and
- compliance with all provisions of the Labour Relations Act (1995) and the Employment Equity Act (1998) and their subsequent amendments.

All new recruits attend an induction session which assists them in becoming familiar with their surroundings and gaining a better understanding of the Group's operations and overall business model. Induction sessions aid in the understanding of individual's role and what is expected from them in order to make a positive contribution to the success of the Group and for the human resources department to reasonably and adequately manage career expectations.

Managers conduct performance appraisals with their teams on a bi-annual basis. These assessment meetings play a pivotal role in information gathering, both on the part of the organisation and the employee. Employees have an opportunity to voice their concerns about various aspects in their roles and the business and to express their career aspirations. In turn, the business receives valuable feedback on areas that require improvement, as well as areas where the Group is performing well and need to continue doing so. The sessions also provide employees with feedback on their performance, and where they need to improve in order to continue making a positive contribution to the Group. The succession and career path planning sections of the process forms an important part and aids the Group with future manpower planning.

Exit interviews are a valuable tool in obtaining information from employees leaving the organisation. These sessions provide a platform for employees to provide feedback on their experiences during their time with the Group, both positive and negative. This allows the Group to review and improve on work experiences for current and future employees, thereby having a positive effect on retention of key and high performing individuals.

STAFF COMPLEMENT

The Group monitors the head count per region to ensure that all operations within the organisation are adequately staffed. The table below indicates the staff complement by region excluding employees employed by temporary service employment providers:

	2020		2019	
Region	**Number**	**%**	Number	%
Gauteng	2 289	62,9	1 795	63,2
KwaZulu-Natal	446	12,3	326	11,5
Western Cape	396	10,9	294	10,3
Eastern Cape	224	6,2	165	5,8
Free State	143	3,9	122	4,3
Namibia	19	0,5	24	0,8
Limpopo	46	1,3	39	1,4
North West	27	0,7	29	1,0
Mpumalanga	46	1,3	49	1,7
Total	**3 636**	**100,0**	**2 843**	**100,0**

During the latter part of 2018 the Group embarked on a process whereby permanent employment offers were extended to employees of temporary employment services (TES). The process has been well received by the former TES employees and has resulted in an increase in overall Group permanent headcount. The project reached conclusion in late 2019, which provides a solid base of core employees. The Group will continue to use the services of TES providers to cater for a flexible labour model during peak and high volume periods.

EMPLOYMENT EQUITY

Value's transformation policies embody our commitment to ensuring employment equity across every facet of the business. This commitment further embodies the philosophy of the Group as a responsible corporate citizen. The Group's employment equity forum continues to review and discuss strategies to ensure employment equity principles are adhered to. In addition to transformation, the forum places a high focus on gender equality in the work place. The number of employees per category, gender and diversity are tabled below.

Occupational levels	**Female**				**Male**				**Foreign nationals**		
2020	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Female**	**Male**	**Total**
Top management	1	-	-	1	1	-	1	9	-	-	13
Senior management	-	-	1	4	-	1	2	14	-	-	22
Mid-management	9	3	7	79	30	8	26	113	-	-	275
Skilled technical/ junior management	129	38	33	131	323	52	54	131	-	4	895
Semi-skilled	77	4	-	1	1 523	52	9	14	-	-	1 680
Unskilled	4	-	-	-	719	24	1	1	-	-	749
Total permanent	**220**	**45**	**41**	**216**	**2 596**	**137**	**93**	**282**	**-**	**4**	**3 634**
Temporary employees	-	-	-	-	1	-	-	1	-	-	2
Total	**220**	**45**	**41**	**216**	**2 597**	**137**	**93**	**283**	**-**	**4**	**3 636**

Occupational levels	Female				Male				Foreign nationals		
2019	African	Coloured	Indian	White	African	Coloured	Indian	White	Female	Male	Total
Top management	1	-	-	1	-	-	1	8	-	-	11
Senior management	-	-	1	5	1	1	1	20	-	-	29
Mid-management	7	3	7	75	35	7	24	108	-	-	266
Skilled technical/junior management	124	41	36	132	315	52	57	118	-	1	876
Semi-skilled	55	2	-	5	1 092	43	12	17	-	4	1 230
Unskilled	5	-	-	-	412	13	-	-	-	1	431
Total permanent	**192**	**46**	**44**	**218**	**1 855**	**116**	**95**	**271**	**-**	**6**	**2 843**
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Total	**192**	**46**	**44**	**218**	**1 855**	**116**	**95**	**271**	**-**	**6**	**2 843**

EMPLOYEE TURNOVER

It is vital for the Group to ensure the appropriate mix of staff and that retention rates align with the organisations objectives.

The Group abides to minimum notice periods, which may become necessary due to operational changes or requirements, as specified in the Basic Conditions of Employment Act and the Main Agreement of the National Bargaining Council for the Road Freight and Logistics Industry.

The rate of new employee recruitment and employee turnover by age group, gender and region is tabled below.

2020	Appointments	%	Turnover	%
Rate of employee turnover by age:				
18 – 28 years	389	26,8	189	28,7
29 – 38 years	586	40,4	208	31,6
39 – 48 years	329	22,7	142	21,6
49 – 58 years	117	8,0	57	8,7
59 – 68 years	29	2,0	62	9,4
69 – 70 years	1	0,1	-	0,0
Total	**1 451**	**100,0**	**658**	**100,0**
Rate of employee appointments and turnover by gender:				
Male	1 215	83,7	444	67,5
Female	236	16,3	214	32,5
Total	**1 451**	**100.0**	**658**	**100,0**
Rate of employee appointments and turnover by region:				
Gauteng	953	65,7	440	66,9
Western Cape	173	11,9	77	11,7
KwaZulu-Natal	170	11,7	61	9,3
Eastern Cape	105	7,2	48	7,3
Namibia	1	0,1	6	0,9
Limpopo	8	0,6	5	0,8
Free State	34	2,3	12	1,8
North West	3	0,2	2	0,3
Mpumalanga	4	0,3	7	1,0
Total	**1 451**	**100,0**	**658**	**100,0**

2019	Appointments	%	Turnover	%
Rate of employee appointments and turnover by age:				
18 - 28 years	302	21,8	202	36,3
29 - 38 years	492	35,6	152	27,3
39 - 48 years	379	27,4	102	18,3
49 - 58 years	157	11,4	66	11,8
59 - 68 years	53	3,8	34	6,1
69 - 70 years	-	-	1	0,2
Total	**1 383**	**100,0**	**557**	**100,0**
Rate of employee appointments and turnover by gender:				
Male	1 219	88,1	416	74,7
Female	164	11,9	141	25,3
Total	**1 383**	**100,0**	**557**	**100,0**
Rate of employee appointments and turnover by region:				
Gauteng	688	49,8	342	61,4
Western Cape	219	15,8	70	12,5
KwaZulu-Natal	179	12,9	36	6,4
Eastern Cape	140	10,1	65	11,7
Namibia	3	0,2	1	0,2
Limpopo	11	0,8	7	1,3
Free State	108	7,8	30	5,4
North West	15	1,1	4	0,7
Mpumalanga	20	1,5	2	0,4
Total	**1 383**	**100,0**	**557**	**100,0**

HUMAN RIGHTS

The Value Group believes that each one of its employees is entitled to be treated with respect and dignity. Our aim is to ensure that employees feel respected and valued. The Group therefore upholds the provisions of the Constitution of South Africa and the Labour Relations Act and ensures that its internal processes and corporate culture are aligned. A proactive approach is taken encompassing the following:

- freedom of association;
- implementation of non-discriminatory labour practices;
- ensuring that the Group does not directly or indirectly use forced or child labour;
- providing access to basic health and education;
- accommodating employees' religious observances and practices;
- safe and healthy working conditions; and
- business conduct that complies with all legal requirements.

At year-end 69,42% (2019: 60,06%) of our employees were covered by collective agreements including the National Bargaining Council for Road Freight Logistics Industry Main Agreement.

Employees have a right to join or form trade unions and the Group recognises this right. The Group strives to maintain a healthy employee and industrial relations environment through ongoing constructive dialogue between management, the labour force and their representative trade unions. Open lines of communication ensure that employee grievances are identified and dealt with before having any negative effects on the Group and operational continuity. The total percentage of union membership is 17,77% (2019: 11,18%)

A whistle-blower line is available throughout the Group, allowing all employees the opportunity to anonymously report incidents of human rights violations and other grievances without fear of discrimination or victimisation.

Temporary employment service providers are required to adhere to legal requirements, apply the same standards of human rights practices as the Group and to identify and resolve cases of human rights violations. The Group conducts monthly audits on temporary employment service provider's practices to ensure that their policies and principles align to that of the Group.

EMPLOYEE WELLNESS

The Group operates in line with the requirements of the Occupational Health and Safety Act (85 of 1993) and is committed to create a work environment that is safe and protects its employees against occupational health stresses and safety hazards in the work place. This is primarily achieved through regular inspections and audits of the work environment and a thorough employee wellness programmes which consists of the following:

- Scheduled trucking and employee wellness programs which involves the monitoring of critical health indicators to ensure that employees are fit for work, to diagnose health disorders at an early stage and to promote a healthy lifestyle;
- Weekly tool box talks and monthly health awareness themes that are sent out as part of the Group's awareness initiative and which is aimed at promoting the wellness of employees in the work place;
- Ensuring that all staff that operates any machinery or vehicles undergoes a formal medical assessment to ensure that they are fit to perform in their respective roles; and
- By seeking the expert advice of external parties to periodically, conduct health and safety audits in the Group. Such external audits assists greatly in the monitoring of compliance and progress about all aspects concerning health and safety.

HIV/AIDS

Despite the levels of awareness, HIV and AIDS have the potential to negatively affect the Group. Lower productivity of the affected employees and a possible decrease in the human resource pool means that there are potentially fewer employees able to continue working and contributing to the Group, resulting in decreased profits. However, ongoing and focussed educational and awareness programmes have seen a steady decrease in absenteeism due to ill health.

A considerate working environment is required to provide personnel with testing and counselling. The Group therefore continues to motivate employees to attend the voluntary counselling and testing sessions. Initiatives of the wellness programmes are reinforced on an ongoing basis.

Other measures include:

- staff education through workshops, posters and one-on-one sessions;
- involving top management into setting the bench mark for voluntary testing;
- the trucking wellness campaign remains an ongoing initiative; and
- active medical monitoring on an ongoing basis of all known cases. Such monitoring includes periodical medicals and ensuring that the employee adheres to his / her treatment plan.

GENERAL TRAINING AND DEVELOPMENT

Employees are fundamental to the Group achieving its long-term objectives and ensuring the future sustainability of its workforce.

It is therefore in the Group's best interests to contribute to the training and development of its people, ensuring that the staff complement is adequately staffed with competent and confident employees.

The Group is registered with the Transport Education and Training Authority (TETA), the Sector Education and Training Authority (SETA), as well as the Wholesale and Retail Sector Education and Training Authority (W&R SETA) and is compliant with the conditions of the Skills Development Act and Skills Development Levies Act.

The Group has engaged in programmes targeted at developing priority skills within the logistics environment. An in-house Driver Training Academy is on site at the Group's head office as well as a 300 seat training wing equipped with state-of-the-art training equipment and dedicated trainers and mentors.

The Group has not only implemented learnership programmes for employees but has also extended this programme to include unemployed individuals. Previously disadvantaged employees who had not benefited from higher education opportunities have subsequently gained the confidence needed to improve their skills.

The salient statistics with regards to training and learnerships are tabled below:

	2020			2019		
Number of training interventions	Female	Male	Total	Female	Male	Total
African	66	1 266	1 332	118	435	553
Coloured	13	48	61	43	55	98
Indian	13	44	57	32	37	69
White	82	137	219	167	140	307
Total	**174**	**1 495**	**1 669**	**360**	**667**	**1 027**

Number of individuals successfully completing the Learnership programme	**2020**			2019		
	Female	Male	Total	Female	Male	Total
Black*	147	41	188	31	134	165
White	2	5	7	-	5	5
Total	**149**	**46**	**195**	**31**	**139**	**170**

** Includes African, Indian, Coloured and other*

Headcount of individuals successfully completing the Learnership programme within the specified categories	**2020**			2019		
	Female	Male	Total	Female	Male	Total
Employed	3	32	35	9	63	72
Unemployed	58	14	72	-	76	76
Unemployed Disabled	88	-	88	22	-	22
Total	**149**	**46**	**195**	**31**	**139**	**170**

GENERAL TRAINING AND DEVELOPMENT (Continued)

Average hours training per year, by employee gender and category	2020			2019		
	Female	**Male**	**Total**	Female	Male	Total
Clerical support workers	5	5	10	5	5	10
Elementary occupations	2	7	9	2	8	10
Managers	5	5	10	5	6	11
Plant and machine operators	-	12	12	-	9	9
Professionals	6	7	13	6	6	12
Sales workers	6	7	13	5	8	13
Skilled workers	5	6	11	5	6	11
Technicians and associate professionals	3	7	10	4	7	11
Total	**32**	**56**	**88**	**32**	**55**	**87**

COMPLIANCE WITH LEGISLATION

The audit and risk committee have general oversight over the Group's compliance with laws and regulations. However, there are also specific processes in place to ensure compliance. The company secretary monitors the Group's compliance against company law and corporate governance recommendations and advises the Group on various requirements and amendments relevant to its contracts to ensure that all interactions between the Group and outside parties do not contravene any law or regulation. The human resource team is responsible for compliance with all labour legislation. The annual internal and external audits also provide comfort as with regards to compliance.

THE VALUE CODE OF ETHICS

The Value code of ethics represents the Group's most fundamental values. This code sets the level of conduct expected from all employees, companies and associates across the Group. Group companies and employees are required to conduct themselves with the highest levels of integrity, honesty and trust whilst at the same time being cognisant of various legal and ethical requirements. Ethical business practices are vital to maintaining good business relationships and ensuring the future success of our business. The Group therefore does not tolerate any forms of fraud and corruption.

The core values are:

- Integrity: To be accountable for our actions, to be consistently fair to others and to be truthful and respectful;
- Honesty: To be reliable, approachable, sensitive to the needs of others, open and honest; and
- Trust: To be trustworthy in our dealings and interactions with all stakeholders.

TRANSFORMATION

The Group supports the principles of BBBEE, continuing to work towards its transformation goals and remains committed to bringing about true equality throughout the Group through various measures such as recruitment, training and skills development of previously disadvantaged individuals.

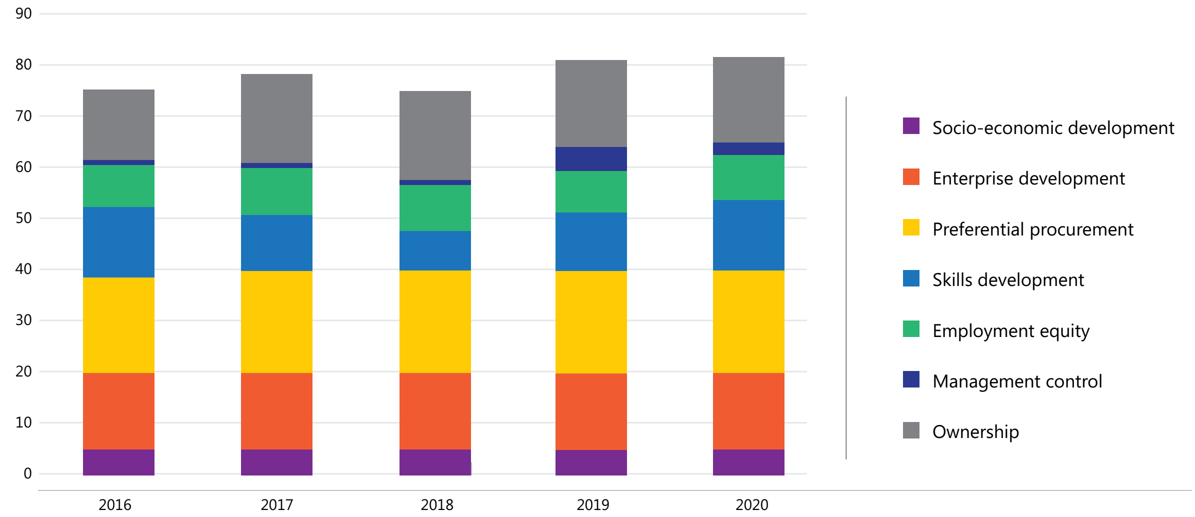
The Group has maintained a level 3 BBBEE rating, which has been verified by an independent rating agency, based on the Transport Road Freight Sub-Sector Scorecard.

The 2020 BBBEE certificate which is summarised below, can be found on the Group's website, www.value.co.za.

BBBEE scorecard	Weighting	**2020**	2019
Ownership	20	16,69	17,09
Management control	10	2,50	4,72
Employment equity	15	8,74	8,12
Skills development	15	13,88	11,47
Preferential procurement	20	20,00	20,00
Enterprise development	15	15,00	15,00
Socio-economic development	5	5,00	4,91
Overall score	100	**81,81**	**81,31**

PEOPLE (Continued)

The Group's progress towards transformation as reflected in its BBBEE scorecard over the past five years is reflected below:

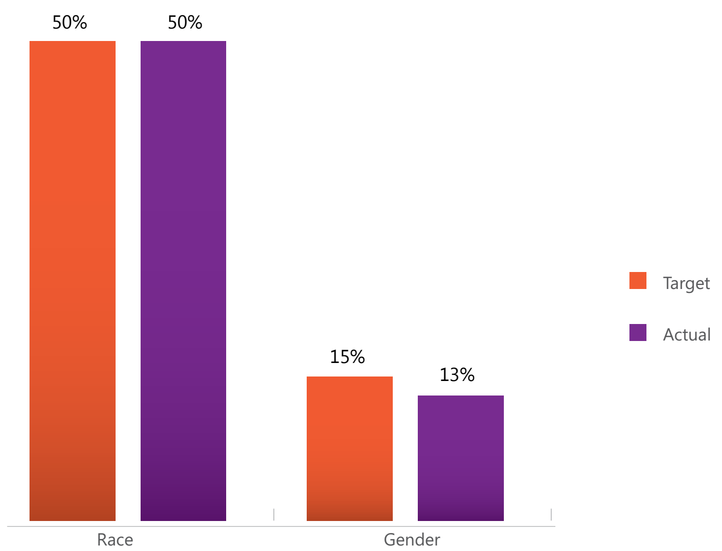


The Group is showing steady progress towards its transformation goals scoring full points on preferential procurement, enterprise development and socio-economic development in the current year.

The Group's skills development initiatives, particularly the learnership programmes have proven quite successful over the years, with the Group scoring close to full points on skills development, whilst also showing an improvement over the past five years.

The ownership element of the scorecard measures the effective ownership of the Group by previously disadvantaged individuals. As the Group is listed, its shares are publicly traded amongst fellow South Africans and to a lesser extent, foreign investors. The Group is however committed to transformation and therefore extended the BBBEE ownership transaction to 2022, which will provide an opportunity for the BBBEE individuals concerned to participate in the equity of the Group upon maturity of the transaction.

Employment equity has also shown an improvement in the current year with the Group achieving a transformed workforce consisting of 86% BBBEE staff representation, compared to 83% in the previous year. The Group has however scored poorly in management control and will be working on attaining the compliance targets throughout all levels of management. In 2018, the Group adopted a race and gender equality policy. In May 2020, the Group adopted a revised board diversity policy with targets for race and gender as set out below. Any new appointees to the board of directors will be selected based on the underlying requirement to introduce gender and race diversity. The actual board composition and voluntary targets set are as follows:



SECTION

ENVIRONMENT

Creating value by managing our environmental footprint

VALUE GROUP IS GOING PAPERLESS

As a continued commitment to reducing our environmental footprint, the Group aims to go paperless for its future integrated annual reports. This initiative not only reduces paper usage, but will also result in cost savings for the Group. Shareholders are encouraged to continue submitting their email addresses to Computershare. Please refer to IBC for relevant contact details.

CARBON EMISSIONS

Being in the transport industry results in fuel consumption and the related greenhouse gas emissions becoming one of the major factors affecting the Group's environmental impact. Decreasing the potential negative effects of our business on natural resources remains a priority as the Group responds to climate change and the negative effects of our emissions on global warming. Mitigation measures are therefore in place as the Group strives to achieve efficiencies and reduce consumption patterns in our vehicles. We also engage with our suppliers to reduce the impact of our operations by regularly replacing older vehicles with newer models, incorporating improved technologies and better fuel efficiencies.

Fuel is a major component in determining costs for clients, hence reducing consumption could afford the Group a competitive advantage. Therefore, in light of ever increasing fuel costs, apart from our responsibility to minimise the carbon footprint impact of our operations, it also makes good business sense to reduce our fuel consumption and hence input costs.

Annually we use various methods and procedures to continually ensure that our fleet uses fuel in the most efficient fashion.

Route optimisation

Ensuring that vehicles are utilised to their full potential whilst avoiding overloading and ensuring the least distance is travelled.

Routine servicing

Vehicles are regularly maintained according to manufacturer's standards by accredited in-house workshops.

Driver training

Continuous driver training to ensure our vehicles are operated optimally with no harsh braking or rapid acceleration.

Vehicle Assessment

Our vehicles are assessed annually, thereby ensuring that older models are replaced by newer ones. This further allows us to incorporate improved technology in order to further increase fuel efficiency.

Automated fuel consumption comparison

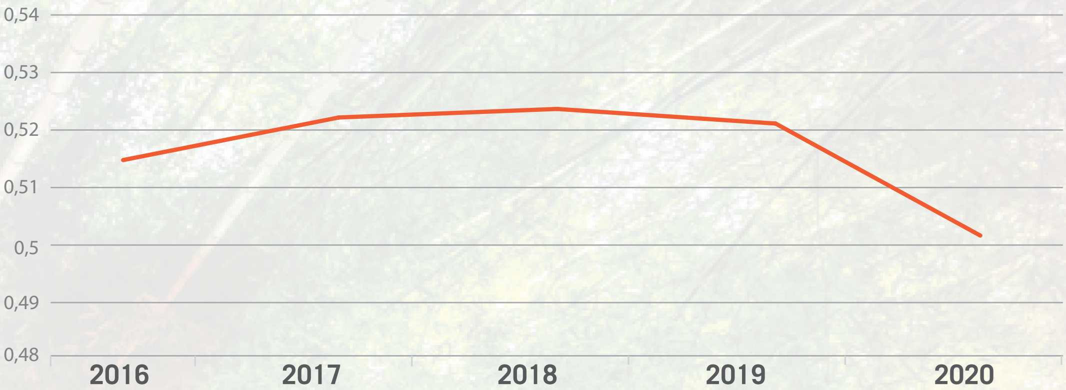
On a daily basis fuel consumption is compared across the entire fleet.

Debriefing / de-fleeting

Information is gathered from vehicle assessments, maintenance records and the automated fuel consumption comparison reports in order to identify poor performing vehicles which should be replaced, in an effort to continuously reduce our carbon footprint.

The Group reports on its direct carbon emissions expelled in the course of its business activities using an online tool known as the "business carbon footprint calculator" (http://carbon.ecoforests.org/). The tool makes use of a rate of 2,63 kilograms of carbon emissions per litre of diesel and 2,3 kilograms of carbon emissions per litre of petrol consumed.

The table below highlights the Group's carbon emissions (kg) per kilometre over the past five years.



Fuel consumption and carbon emissions are detailed below:

	2020	2019
Consumption (kilolitres)	**15 051**	17 130
- Diesel	**14 599**	16 616
- Petrol	**452**	514
Carbon emissions (tons)	**39 432**	44 882
- Diesel	**38 394**	43 700
- Petrol	**1 038**	1 182
Kilometres travelled (km'000)	**78 321**	86 076
(Decrease) increase in kilometres travelled	**(9,0%)**	3,6%
(Decrease) increase in energy consumed	**(12,1%)**	3,4%
Carbon emissions (kg) per kilometre	**0,50**	0,52
Gigajoules	**580 319**	660 523
- Diesel	**564 670**	642 711
- Petrol	**15 649**	17 812

The current year has seen a decrease in consumption of 12,1%, from 17 130 kilolitres to 15 051 kilolitres. This is due to the decrease in kilometres travelled of 9,0%, from 86 075 676 to 78 320 890 in the current year as well as an improvement in efficiencies, with carbon emissions per kilometre showing an improvement of 3,8% from 0,52 in the previous year to 0,50 in the current year. These results reflect positively on the Group's efforts to achieve and maintain fuel efficiencies in the fleet by improved route planning and the use of fuel efficient vehicles.

After an initial 90 day test which yielded an average 6% improvement in consumption figures, the Group fitted aerodynamic kits to certain vehicle types during previous financial years. The Group will continue with its efforts to reduce its environmental footprint and find new and innovative ways to enhance vehicle efficiency.

SHAREHOLDER INFORMATION

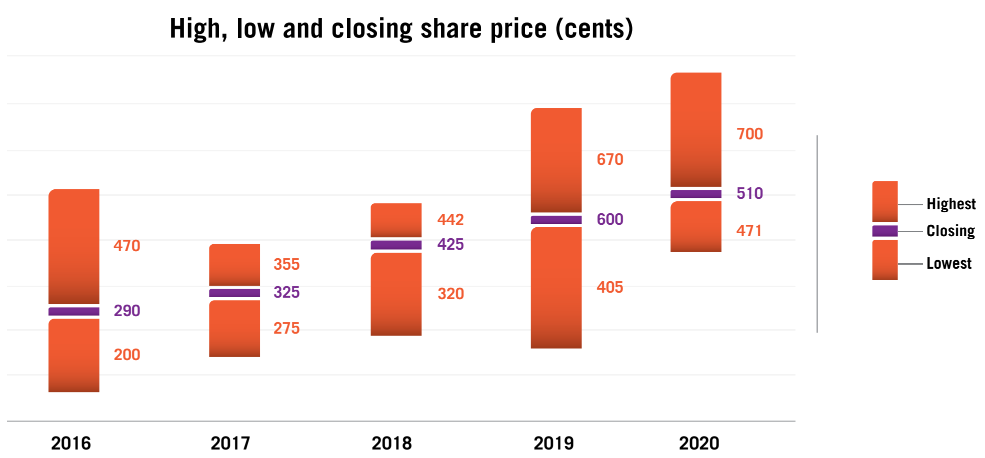
As at 29 February 2020

ORDINARY SHARES-LISTED	Number of shareholders	%	Number of shares	%
Non-public shareholders				
The Value Group Share Incentive Scheme	1	0,05	1 012 136	0,59
Directors	3	0,15	3 180 206	1,84
Diplobuzz Investments (RF) (Pty) Limited	1	0,05	6 257 406	3,62
471 Church Street (Pty) Ltd	1	0,05	9 007 403	5,22
Value Logistics Limited	1	0,05	9 370 209	5,43
Opsiweb Investments (RF) (Pty) Limited	1	0,05	14 600 614	8,46
Lougot Property Investments (Pty) Ltd	1	0,05	86 921 617	50,35
	9	0,45	130 349 591	75,50
Public shareholders				
Foord Absolute Return Fund	1	0,05	8 594 491	4,98
Individuals and other	1 935	99,50	33 690 918	19,51
Total shareholders	1 945	100,00	172 635 000	100,00
Residency				
Foreign	40	2,06	464 511	0,27
South African	1 905	97,94	172 170 489	99,73
	1 945	100,00	172 635 000	100,00
Holdings				
1 to 1 000	1 285	66,07	361 102	0,21
1 001 to 5 000	387	19,90	1 060 327	0,61
5 001 to 10 000	99	5,08	777 770	0,46
10 001 to 50 000	122	6,27	2 659 084	1,54
50 001 to 100 000	11	0,57	832 746	0,48
over 100 000 shares	41	2,11	166 943 971	96,70
	1 945	100,00	172 635 000	100,00

A ORDINARY SHARES – UNLISTED	Number of shareholders	%	Number of shares	%
The Value Group Empowerment Trust	1	100,00	10 429 010	100,00

Current or future black employees of the Group nominated by the board who fall within the C and D peromnes bands and who satisfy a set objective criteria set by the board, will qualify as participants in the employee empowerment scheme.

Analysis of share trading



CORPORATE GOVERNANCE REPORT

The JSE has included certain aspects of the King Code on Corporate Governance 2016 (King IV™) in its Listings Requirements. The board has adopted the recommendations on good corporate governance contained in King IV™. The King IV™ principles and recommendations have been implemented across the Group. A full report of the Group's compliance with each of the King IV™ principles is available on pages 52 to 55.

THE BOARD OF DIRECTORS

The board is the focal point for corporate governance and is responsible to set the tone for ethical leadership throughout the organisation. It is responsible to shareholders and stakeholders for sustainable performance of the Group. The board takes overall responsibility for the success and prosperity of the Group. The board's role is to exercise sound leadership and judgement in directing the Group to achieve sustainable growth, having due consideration to a balanced financial, social and environmental performance, and taking into account the legitimate expectations of its stakeholders in making decisions in the best interest of the Group. The board charter articulates the objectives and responsibilities of the board. Likewise, each of the board sub-committees operates in accordance with written terms of reference, which are regularly reviewed by the board.

At the date of issuing the integrated annual report, the board comprised eight directors, of which only three are executive directors and five non-executive directors, four of whom are independent and free from any business or other relationships which could materially interfere with the exercise of their independent judgement. Advised by the remuneration and nominations committee, the board ensures that the election of independent directors falls on reputable persons of well-known competence and experience, who are willing to devote a sufficient part of their time to the Group.

Details of the directors in office on 29 February 2020 and at the date of this report appear on pages 8 and 9 of this report.

Summary attendance table of board meetings during the financial year ended 29 February 2020:

Member	27 March 2019	10 May 2019	12 June 2019	7 August 2019	17 October 2019	6 February 2020
CD Stein	P	P	P	P	P	P
SD Gottschalk	P	P	A	P	P	P
IM Groves	P	P	A	A	A	A
VW Mcobothi	P	P	P	P	P	P
NM Phosa	P	P	P	P	P	P
CL Sack	P	P	P	P	P	P
M Padiyachy	P	P	P	P	P	P
B Bulo	NA	NA	NA	NA	NA	P
In attendance						
C Middlemiss	P	P	P	P	P	NA
C Erasmus	NA	NA	NA	NA	P	P

Legend: P: Present A: Apology NA: Not appointed

External advisors are invited to attend board meetings as required.

The roles of the chairman of the board and the Chief executive officer ("CEO") are kept separate, each with clearly defined roles and responsibilities. Independent non-executive director Mr CD Stein was the chairman of the board with executive director Mr SD Gottschalk as the CEO of the Group throughout the financial year under review. There is a clear division of responsibilities on the board which forms part of the policy to ensure a balance of power.

The board charter, which is aligned to the recommendations of King IV™, compels directors to promote the vision of the Group, whilst upholding sound principles of corporate governance.

The board charter sets out the primary functions of the board. The board has satisfied itself that the terms of the board charter have been complied with as follows:

1. The board is responsible to steer and set the Group's strategic direction and to exercise prudent control over the Group and its affairs.
2. The board and the individual directors at all times act in the best interest of the Group and adhere to all relevant legal standards of conduct.
3. In fulfilling its function, the board:
    3.1. provides effective leadership based on an ethical foundation;

3.2. acts as ultimate custodian of the Group's system of corporate governance by managing its relationship with management, shareholders and other stakeholders based on sound corporate governance principles;

3.3. appreciates that strategy, risk, performance and sustainability are inseparable and gives effect to this by:

3.3.1. contributing to and approving the strategy of the Group as presented by management;

3.3.2. satisfying itself that all material risks in the strategy and business plans have been duly considered and addressed by management;

3.3.3. being satisfied that the strategy will result in sustainable outcomes for the Group, taking account of the concept of "people, planet and profit";

3.3.4. identifying the key performance and risk areas in the business; and

3.3.5. considering sustainability as a business opportunity that guides the formulation of strategy;

3.4. ensures that the Group is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group but also the impact that business operations may have on the environment and societies within which it operates;

3.5. ensures that the Group has a code of ethics and related ethics policies, based on its values as approved by the board, and that the ethical performance of the Group and its representatives is pro-actively and effectively managed and reported on;

3.6. ensures that the Group has an independent and effective audit committee;

3.7. is responsible for the pro-active and effective management of risk in the Group;

3.8. is responsible for the pro-active and effective governance of information technology;

3.9. ensures that the Group complies with all applicable laws and considers adherence to non-binding rules and standards;

3.10. ensures that there is an effective risk-based internal audit function in the Group;

3.11. ensures proper management of the relationship between the Group and all its stakeholders so as to protect and, where possible, enhance the reputation of the Group;

3.12. ensures the integrity of the Group's integrated report;

3.13. monitors the performance of the Group against agreed objectives and review the performance of executive management against defined objectives and other applicable performance standards; and

3.14. continuously monitors the solvency and liquidity of the Group.

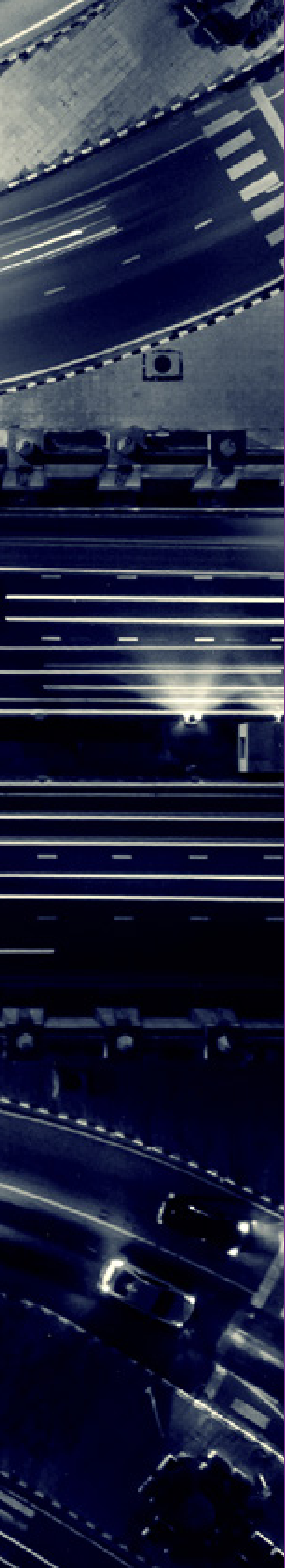
4. The board is responsible to appoint the CEO and Group financial director and ensure a proper process of performance management and succession planning in respect of these positions.

5. The board, via the remuneration and nominations committee, provides input regarding senior management appointments, remuneration and succession plans.

6. The board has implemented a formal delegation of authority framework which is reviewed on an annual basis.

7. The board has implemented a formal governance framework in respect of subsidiary companies and other related entities in the Group.

8. The board, with the support of the remuneration and nominations committee, has adopted remuneration policies that are fair, responsible and aligned with the strategy of the Group while linked to individual performance. A remuneration report has been included in the integrated report and the remuneration philosophy is submitted to shareholders annually for a non-binding, advisory vote.



9. The board has appointed Mr VW Mcobothi as the lead independent director, to take over from Mr IM Groves after the annual general meeting (AGM). The lead independent director fulfils the following functions:
   9.1. To lead in the absence of the chair.
   9.2. To serve as a sounding board for the chair.
   9.3. To act as an intermediary between the chair and other members of the board, if necessary.
   9.4. To deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.
   9.5. To strengthen independence on the board if the chair is not an independent non-executive member of the board
   9.6. To chair discussions and decision-making by the board on matters where the chair has a conflict of interest.
   9.7. To lead the performance appraisal of the chair.
10. The chair's role, responsibilities and term in office, as well as that of the lead independent director, are also documented in the board charter.

The board's governance procedures and processes are continuously being reviewed and a number of specific policies have been adopted by the board, expanding on the content of the board charter in the following areas:

- conflict of interest;
- access to professional advice;
- corporate citizenship;
- internal audit;
- trading in securities; and
- board diversity.

To avoid conflict of interest and in compliance with section 75 of the Companies Act 71 of 2008, board members must disclose their interest in material contracts involving the Group. In addition, board members must recuse themselves from deliberations or the decision-making process relating to any matter in which such member may have a personal financial interest.

The board is required to meet at least 4 times a year. During the 2020 financial year, the board convened 6 times. Quarterly board meetings as well as 2 special board meetings have been included in the board's annual calendar.

In addition to the above, the board has an approved annual work plan to ensure that the board discharges its duties in a structured manner and that all governance issues are considered and appropriately dealt with in an annual cycle.

The daily management of the Group's affairs is the responsibility of the CEO. In addition to the annual work plan, the delegation of authority sets out the respective responsibilities and levels of authority of the board and executive management. The board is kept informed of all developments at the Group, primarily through the executive directors. At the time of publishing the integrated annual report, the composition of the board was as follows:

Mr CD Stein	*(Independent non-executive director and chairman)*
Mr IM Groves	*(Independent non-executive director and lead independent director)*
Mr VW Mcobothi	*(Independent non-executive director)*
Ms B Bulo	*(Independent non-executive director)*
Dr NM Phosa	*(Non-executive director)*
Mr SD Gottschalk	*(Executive Director and Chief executive officer)*
Mr CL Sack	*(Executive Director and Group financial director)*
Mr M Padiyachy	*(Executive Director)*

All directors have access to the advice and service of the company secretary who is responsible to the board for ensuring compliance with procedures and applicable statutes and regulations. The company secretary administers corporate governance within the Group and provides counsel and guidance to the board on the proper discharging of their powers, duties and responsibilities. All directors, executive and non-executive, may liaise with the company secretary on agenda items for board meetings.

FluidRock Co Sec (Pty) Ltd, represented by Ms C Erasmus is the company secretary. Ms Erasmus has 13 years' experience as a company secretary and is actively involved in assisting the board in its governance initiatives.

The board performs an annual verification of the qualifications, experience and continuing professional development of the company secretary. During the year under review, the board was satisfied with the competence, qualifications and experience of the company secretary and that an arms-length relationship was maintained with the board of directors. The company secretary is an external consultant, is not involved in the management of the Group and therefore independent of the Group. Contact details of FluidRock Co Sec (Pty) Ltd are disclosed under corporate information.

In accordance with the Memorandum of Incorporation (MOI), and in order to facilitate continuity of the board, one-third of the non-executive directors shall retire from office at each AGM and their reappointment is subject to shareholders' approval. If a director is also an employee of the Company in any capacity (also referred to as an executive director) he shall not, while he continues to hold that position or office, be subject to retirement by rotation and he shall not, in such case, be taken into account in determining the rotation or retirement of directors. In addition, all directors are subject to election by shareholders at the first opportunity after their initial appointments. The board, assisted by the remuneration and nominations committee, recommends the eligibility of retiring directors (subject to availability and their contribution to the business) for reappointment. The directors retiring by rotation at the forthcoming AGM are Dr M Phosa and Mr IM Groves.

MONITORING OF PERFORMANCE

The chairman is appointed on an annual basis by the board, with the assistance of the remuneration and nominations committee. The remuneration and nominations committee assess the independence of non-executive directors annually.

In line with recommendations of King IV™, in 2020, a detailed self-assessment of the performance of the board and its committees was conducted and the results thereof were considered in order to identify areas for improvement. The assessment used an electronic survey process administered by the FluidRock Co Sec (Pty) Ltd as the company secretary. The assessments found the structures and processes governing the board and its committees were well established and functioning satisfactorily. It also found that the board had fulfilled its role and responsibilities and had discharged its responsibility to the Group, shareholders and other stakeholders in an exemplary manner.

Observations were ranked as follows:

1 – needs significant improvement

2 – needs improvement

3 – satisfactory

4 – exceeds expectation

Topic	Average Score out of 4
A. Good board practices	3.60
B. Effective processes	3.66
C. Transparent disclosures	3.65
D. Ethical leadership and good corporate citizenship	3.71
E. Board strategy and risk management	3.56
F. Commitment of the board	3.58
G. The role of the board	3.78

Mr CD Stein, the chairman of the board and Mr IM Groves have served for a term beyond 9 years as independent non-executive directors and have been subject to particularly rigorous reviews by the board, of not only their performance, but also the factors that may impair their independence. The board is satisfied that there are no relationships or circumstances likely to affect or appearing to affect the directors' judgement. The board is further comfortable that the independent directors' independence of character and judgement has not in any way been affected or impaired by their length of service. Mr IM Groves will however retire as director at the AGM without the option of re-election.

DIVERSITY AND COMPOSITION OF THE BOARD

In an on-going endeavour to maintain the highest corporate governance standards and in line with the JSE Listings Requirements, the Group has adopted a diversity policy, on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The board of directors, with guidance from the remuneration and nominations committee, have considered and applied the diversity policy in the nomination and appointment of directors.

With the appointment of Bukelwa Bulo as independent non-executive director, with the effect from 1 February 2020, the board is satisfied that its composition is adequate. Any new appointees are selected based on the underlying requirement to introduce broader diversity. The Group undertakes to continually ensure that representation at board level remains optimal by identifying candidates with a diverse collection of skills, expertise and experience to allow the board to effectively lead the business and strategy of the Group, as required.

The actual board composition and voluntary targets set are as follows:

	Race	Gender
Actual prior to appointment of Ms B Bulo	43% BBBEE representation	0% female representation
Actual subsequent to appointment of Ms B Bulo	50% BBBEE representation	13% female representation
Target	50% BBBEE representation	15% female representation

BOARD COMMITTEES

The board has established a number of standing committees with delegated authority from the board. Each committee has agreed terms of reference as approved by the board that addresses issues such as composition, duties, responsibilities and scope of authority.

Although the board delegates certain functions to these committees, it retains ultimate responsibility for their activities. The committees comprise a majority of independent non-executive directors and the CEO and Group financial director are standing invitees to each committee meeting. Each board committee is chaired by a non-executive director.

The board has an audit and risk, remuneration and nomination committee as well as a social and ethics committee. Committees operate in accordance with board approved terms of reference, as well as the annual work plan, which are reviewed and updated on a regular basis to align them further with best practice. The board appoints the chairs and the members of these committees, other than audit and risk committee members who are appointed annually by the shareholders at the AGM. In addition, the committees are required to evaluate their effectiveness and performance on an annual basis and to report the respective findings to the board for consideration.

Audit and risk committee

The committee consisted of three independent non-executive directors throughout the financial year. Mr CD Stein is also chairman of the board. As he is an independent non-executive chairman, he is eligible to be a member of the audit committee. Further, his experience and knowledge of the Group are invaluable to the audit and risk committee. At the time of publishing the integrated annual report, the composition of the audit and risk committee was as follows:

Mr IM Groves	*(Independent non-executive director, member and chairman)*
Mr VW Mcobothi	*(Independent non-executive director and member)*
Mr CD Stein	*(Independent non-executive director and member)*
Ms B Bulo	*(Independent non-executive director and member)*

Summary attendance table of members at the audit and risk committee meetings during the financial year ended 29 February 2020:

Member	9 May 2020	12 June 2019	6 August 2019	16 October 2019	6 February 2020
IM Groves	P	A	P	P	A
VW Mcobothi	P	P	P	P	P
CD Stein	P	P	P	P	P
B Bulo	NA	NA	NA	NA	P

Legend: P: Present NA: Not appointed A: Apology

External advisors and executive directors are invited to attend committee meetings as required.

Subject to her election as independent non-executive director at the AGM, the appointment of Ms B Bulo, as member of the audit and risk committee, will be tabled for approval by shareholders at the AGM. The relevant resolutions for the appointment of the audit and risk committee as required by the Act are set out in the notice of the AGM as contained in this integrated annual report. The board is satisfied that the members as proposed for approval by shareholders meet the requirements of non-executive directors, acting independently, as prescribed by the Act.

Subject to the approval of the relevant resolutions, the composition of the audit and risk committee will be as follows:

Mr VW Mcobothi	*(Independent non-executive director, member and chairman)*
Mr CD Stein	*(Independent non-executive director and member)*
Ms B Bulo	*(Independent non-executive director and member)*

The audit and risk committee has a formal board approved terms of reference. The board is satisfied that the committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Act, King IV™ and the JSE Listings Requirements. The terms of reference for the audit and risk committee intend to ensure compliance with both governance recommendations and statutory requirements.

The board believes that the members collectively possess the knowledge and experience to exercise oversight of the Group's financial management, internal and external auditors, the quality of the Group's financial controls, the preparation and evaluation of the Group's financial statements and financial reporting. The board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures but this is not a guarantee that such risks are eliminated.

The committee is responsible for facilitating the relationship with the external auditors and for monitoring the non-audit services provided by the external auditors. The external auditors have direct access to the chairman of the committee and attend all meetings of the committee ensuring that auditors are able to maintain their independence. The chairman of the committee is expected to attend the AGM in order to answer any questions that shareholders may have relevant to the committee's areas of responsibility. The committee is responsible for recommending the appointment of a firm of external auditors to the board who in turn will recommend the appointment to the shareholders. The committee is also responsible for determining that the designated appointee has the necessary experience, qualifications and skills and that the audit fee is adequate.

Committee members have unlimited access to all information, documents and explanations required in the discharge of their duties. This authority has been extended to internal and external auditors.

The board is satisfied that the committee has been equipped to properly fulfil its duties going forward.

The committee is satisfied that it has fulfilled its responsibilities for the reporting period. The statutory report of the committee as required by the Act can be found on pages 62 and 63 of the integrated annual report.

Social and ethics committee

At the time of publishing the integrated annual report, the composition of the social and ethics committee was as follows:

Mr VW Mcobothi	*(Independent non-executive director, member and chairman)*
Ms B Bulo	*(Independent non-executive director and member – appointed 12 June 2020)*
Mr SD Gottschalk	*(Executive Director, CEO and member)*
Ms V Morais	*(Divisional Director: Human resources and member)*
Mr IM Groves	*(Independent non-executive director and member)*

Summary attendance table of members at the social and ethics committee meetings during the financial year ended 29 February 2020:

Member	17 April 2019	6 August 2019
VW Mcobothi	P	P
IM Groves	P	P
SD Gottschalk	P	P
V Morais	P	P
B Bulo	NA	NA

Legend: P: Present NA: Not appointed

It is the duty of this committee, amongst other things, to monitor and review:

- the Group's directors and staff comply with the Group's code of ethics;
- the Group practices labour and employment policies that comply with the terms of the International Labour Organisation (ILO) protocol on decent work and working conditions;
- the Group ensures the continued training and skills development of its employees;
- the Group performs its responsibilities in respect of social and ethics matters in line with relevant policies and that these policies are reviewed on an annual basis, or as required; and
- an annual work plan to ensure it met all of its statutory requirements.

It is the responsibility of this committee, to ensure, amongst other things, that:

- the Group discharges its statutory duties in respect of section 72 of the Act dealing with the structure and composition of board sub-committees;
- the Group upholds the goals of the Organisation of Economic Co-operation and Development (OECD) recommendations regarding corruption; and
- the Group complies with the Employment Equity Act (as amended) and the Broad-based Black Economic Empowerment Act (as amended).

Activities undertaken by the committee on behalf of the Group in respect of social responsibility and skills development during the course of the financial year entailed:

Social Responsibility

The social and ethics committee assists and supports the board in monitoring the Group's performance as a good and responsible corporate citizen.

The Group acknowledges the importance of its role regarding corporate social responsibility and has a balanced approach to address economic, environmental and social issues that aim to make a positive and lasting impact on the lives of others.

To emphasise this view, the Group upholds the opinion that education forms the base of success and that knowledge is power. This belief forms the core of the Group's social responsibility programme.

Beneficiaries to the Group's socio-economic development (SED) programme are carefully selected and based on criteria such as:

- fundamentals of the programme and funding requirements are education/early childhood development related;
- track record of success serving the community in which the Group operates;
- strong focus on early childhood development (ECD) and support of education of the youth; and
- sustainable programme that extends to the community in order to share knowledge and uplifts others.

Based on these core principles, the beneficiaries to the Group's SED programme for 2020 were as follows:

Hearts of Hope

Is a non-profit organisation (NPO) and a non-profit company (NPC) that strives to enhance the lives of orphaned, abandoned and vulnerable children, through quality individual care and development.

The organisation provides a home for 34 children. Since 2008, 136 children have lived in the home.

Hearts of Hope is equipped with an early childhood development centre, a programme for younger children and targeted education through schools that are able to meet the needs of the older children. In addition, the organisation also supports disadvantage schools through the provision of resources and feeding schemes.

Seeds of Africa

Seeds of Africa is a non-profit, public benefit organisation aiming to maximise the positive socio-economic transformation impact on previously disadvantaged communities through enterprise, supplier development and early childhood development. This organisation trains teachers and caregivers to ensure that their objectives are met.

Teachers from crèches in informal settlements attend workshops on an ongoing basis. Workshops are held in the centre where the teachers are able to take part in support group sessions to share and receive guidance on their challenges and receive assistance with curriculum lesson plans, worksheets and other educational resources. Seeds of Africa host monthly curriculum support workshops where they cover monthly themes that are in line with the Gauteng Department of Education (GDE) requirements for early childhood development.

Peninsula School Feeding Scheme

Peninsula School Feeding Scheme (PSFA) is a 62 year old registered non-profit organisation based in the Western Cape that addresses hunger in young learners attending primary, secondary and special-needs schools, as well as orphaned and vulnerable children centres, early development centres and technical and vocational educational and training colleges.

Their mission is to combat the prevalence of hunger in children attending schools and other development institutions, through school feeding and other developmental initiatives whilst they are at school. The main aim is to reduce short term hunger, enhance children's ability to learn through school feeding and increase school attendance.

PSFA has to date provided over 1,7 billion nutritious meals to school children affected by poverty, thus promoting a sound grounding for education.

Royal Drakensburg Primary School

The Royal Drakensburg Primary school strives to maintain high standards. The school has been in operation for just over ten years. Initially the school had 16 children and has grown to over 80. Most of the children come from the local village, amaZizi and may require support to attend school. The school focusses on the foundation phase for learning. Children join the year they turn four which has resulted in excellent results as they are ready to take on formal learning when they turn seven.

Khanyisela Northern Drakensburg Projects

Khanyisela Projects aim to improve the lives of over 650 preschool children in the amaZizi community, across 17 preschools in the Northern Drakensburg in KwaZulu-Natal. Value Group's involvement related to a teachers training project, whereby teachers are assessed on a yearly basis to ensure constant improvement in knowledge and skills. In excess of 20 teachers have completed their Level 1 in ECD training and a further 20 have graduated from Level 4.

Corrie Lynn Primary School – Midlands KwaZulu-Natal

The school caters for mostly the children of farmworkers. There are currently 71 children enrolled at the school. The Group's involvement in the project related to the provision of:

- flushing toilets with running water;
- chairs for the classrooms; and
- shoes to the children.

Skills Development Initiatives

Overview

The Group is committed to the development and upliftment of its employees, as well as the communities in which it operates.

General Training

The Group continues to actively drive and support all areas of staff development and training, encouraging a career driven culture. The Group favours internal employee development in support of succession planning. This ensures the preservation of valuable company history, knowledge and experience.

In support of this, the Group continues to embark on various training programmes with a focus on industry specific skills. Such training programmes include formal courses, informal on the job training sessions, awarding of bursaries to employees and the continuation of formal structured learnership programmes.

The continuation and support of such development initiatives ensures that the Group positively contributes to the skills development targets as laid out in the National Skills Development Strategy and the SETA's Sector Skills Plans i.e. SETA and TETA.

The Group is fully compliant with all legislation outlined in the Skills Development Act and Skills Levies Act.

Learnership Programmes

The Group embarked on formal learnership programmes in March 2008 with a vision of building a talent pool in the Group and contributing skilled labour to South African economy as well as providing much needed industry specific skills to unemployed and disabled youth. As a value-add to employees of the Group, a large number of children and spouses of employees benefited from the successful completion of a learnership programme.

This initiative enabled children and spouses of employees to be equipped with skills and a formal qualification that will enable them to further provide for their families. To date, the learnership programmes have been well received and supported throughout the Group and has aided in building a positive morale amongst employees.

As at February 2020, 195 learners consisting of 35 employed, 72 unemployed youth and 88 disabled unemployed youth, successfully completed the various programmes which commenced on 1 March 2019.

The 2020/2021 learnership programme commenced on the 1st March 2020. 219 learners enrolled in the programme, consisting of 25 employed learners, 70 unemployed youth and 124 disabled unemployed youth.

Since inception of the learnership programmes in March 2008, 2 274 learners enrolled into the various learnership programmes and as at the end of February 2020, 1 717 have successfully completed a learnership programme.

The committee is satisfied that it has fulfilled its responsibilities for the reporting period.

REMUNERATION AND NOMINATION COMMITTEE REPORT

COMMITTEE STRUCTURE AND OBJECTIVES

The committee is primarily responsible for assisting the board in formulating remuneration and other employment policies as well as the remuneration philosophy of the Group and to structure appropriate remuneration packages for executive directors, based on industry standards and the best interests of all parties concerned.

The objective is to ensure that remuneration is fair and appropriate to attract, retain and motivate individuals of high calibre to run the Group successfully and to ensure that executive directors are fairly rewarded for their individual contribution to the Group's operating and financial performance in line with its corporate objectives and business strategy. The committee regularly consults with a range of external independent advisers on market information and remuneration trends to ensure that the remuneration is aligned with the industry and market benchmarks. The committee also assists the board in the nomination of new board candidates and ensuring regular assessment of board performance. The committee's terms of reference ensure that, for board appointments, a rigorous, fair and open nomination and appointment process is established which will promote meritocracy in the boardroom and support strong corporate performance. The committee leads that process and makes recommendations to the board.

The committee is satisfied that it has fulfilled its responsibilities for the reporting period.

At the time of publishing the integrated annual report, the composition of the remuneration and nominations committee was as follows:

Dr NM Phosa	*(Non-executive director, member and chairman – appointed 12 June 2020)*
Mr CD Stein	*(Independent non-executive director and member)*
Mr VW Mcobothi	*(Independent non-executive director and member)*
Mr IM Groves	*(Independent non-executive director and member)*

Summary attendance table of members at the remuneration and nomination committee meetings during the financial year ended 29 February 2020:

Member	17 April 2019	7 August 2019
IM Groves	P	A
CD Stein	P	P
VW Mcobothi	P	P
NM Phosa	NA	NA

Legend: P: Present A: Apology NA: Not appointed

Although the chairman of the board is not the chairman of the remuneration and nominations committee, when matters pertaining to nominations are discussed, the chairman of the board chairs this portion of the meeting, as required by the JSE Listings Requirements.

Appointment of directors to the board

Directors are appointed by means of a transparent and formal procedure, governed by the mandate and terms of reference of the remuneration and nominations committees and the board charter. The board adheres to a formal board policy in this regard. The remuneration and nominations committee responsibilities include setting the criteria for board nominations, identifying, evaluating and recommending to the board suitable candidates for appointment to the board, as well as succession planning.

Directors service contracts

The non-executive directors do not have service contracts with the Group and all remuneration paid to non-executive directors is in accordance with the approval given by the shareholders at each AGM.

The executive directors are full-time employees of the Group and, as such, each has an employment contract, the terms of which are substantially in accordance with the Group's standard conditions of service.

REMUNERATION POLICY

Remuneration philosophy and policy

The vision of the remuneration philosophy is to provide remuneration packages that will play a critical role in attracting, motivating and retaining high performing individuals. The policy aligns with the strategic direction of the Group in support of core values such as, continuous improvement in profitability underpinned by operational excellence, growth and on-going cost containment and saving initiatives. Remuneration forms one of the core people building blocks and aids human resources practices such as performance management, people development and succession planning.

The Group recognises the importance of its workforce in achieving its long-term objectives. Attracting and retaining the most competent people is therefore vital to the organisation. The Group aims to offer its employees remuneration that is market-related and appropriate for the level of expertise, skill and effort required whilst still recognising and rewarding individual performance. Furthermore, the Group aims to offer all directors remuneration that is fair and transparent so as to ensure the achievement of strategic objectives and positive outcomes.

The Group rewards employees in line with industry legislation (where applicable), market trends, equal work for equal pay principles and the individual value-add to the Group. These elements are contained in individual employment contracts and forms the basis of remuneration terms. People are the key competitive edge of the Group and the achievement of Group goals and strategies must reflect in reward for contribution towards successful achievement of goals and strategies.

Solid remuneration practices form the cornerstone to the retention of high performing individuals and attracting high calibre talent.

The Group has implemented solid human resources and remuneration principles, policies and practices that facilitate the following:

- aid divisional and overall Group strategy;
- aid in developing of key skills, knowledge and home grown talent;
- instil a culture of continuous learning and improvement;
- motivate a hunger for superior performance not only at an individual level but at overall team level;
- ensure employee alignment to overall Group objectives by meaningful employee engagement; and
- ensure full compliance with all legislation that governs remuneration within South Africa.

REMUNERATION PRINCIPLES

The Group's response to COVID-19

Aside from preventing the spread of the virus, extensive focus has been applied in safeguarding the sustainability and operations of the Group. In this regard, the Group implemented various measures to preserve cash balances, including:

- planned salary increases in March 2020 were frozen throughout the Group; and
- in considering the impact of the COVID-19 pandemic on the economy, the board agreed to waive the approved increase on directors' fees for FY2021.

Board

Non-executive directors only receive remuneration that is due to them as members of the board. In line with King IV™, non-executive directors do not receive bonuses or share options in the Group. They are rewarded by means of a monthly retainer and fee per meeting attended.

The rationale for proposing and applying the annual increases for non-executive directors' fees is to ensure that fee structure remains relevant and competitive. Awarding of such increases ensures that the Group is able to attract, motivate and retain individuals of high calibre who have key skills and expert knowledge in the performance of their duties in the various committees that they partake in. Annual increases are effective in March. A 6% increase for 2021 was approved by shareholders at the previous AGM, however this has been waived by the board due to COVID-19.

A 6% increase for the 2022 financial year is proposed at the AGM.

Executive directors serving as members on board sub-committees do not receive additional remuneration. Remuneration of executive directors in their capacities as executive members of the management team is approved by the remuneration and nominations committee. They are remunerated on a total-cost-to-company (TCTC) basis. As part of their remuneration package they are entitled to structure their individual packages with the overriding factor being that packages have to be in compliance with relevant income tax legislation. Inclusive in their packages are benefits relating to medical insurance, retirement funding, group life, income protector, critical illness and funeral cover. The inclusion of such benefits are considered to be comparable with market trends for executive director positions. In addition, they are able to claim for reasonable business expenses incurred on their own account.

Executive directors are remunerated as follows:

- total cost to company package;
- participate in short term incentive; and
- participate in long term incentive.

Executive director annual salary reviews and increases are based on market trends and performance. Increases for executive directors were set at 6% effective 1 March 2020 (2019: 6%). Such increases were applied on the total-cost-to-company remuneration package during the 2020 financial year. The approved increase effective 1 March 2020 has been frozen due to COVID-19.

Executive directors are entitled to participate in the annual short term incentive programme. The short term incentive programme is reviewed annually and is based on set key performance indicators. The programme is aligned using the annual total cost to company (TCTC) remuneration package as a base and set as a maximum 50% entitlement for executive directors for successful achievement of the set key performance indicators.

Long term incentive schemes consists of The Value Group Share Incentive Trust, where elected executive participants are awarded options which are equity settled once vested and exercised. Detailed breakdown of the mechanics of this long term incentive and the executive participants are reflected in note 30 of the integrated annual report. Participants to the long term incentive consists of executive directors only. During the year under review, no options were awarded to executives (2019: nil).

The remuneration set out above for non-executive and executive directors are considered to be fair, transparent and in the best interest of the Group.

Senior Management

Senior management within the Group consist of a mixture of divisional directors and divisional heads. Divisional directors and divisional heads are remunerated on a TCTC basis. As part of their remuneration package they are entitled to structure their individual packages with the overriding factor being that packages have to be in compliance with relevant income tax legislation. Inclusive in their packages are benefits relating to medical insurance, retirement funding, group life, income protector, critical illness and funeral cover. The inclusion of such benefits are considered to be comparable with market trends for senior management positions. In addition, they are able to claim for reasonable business expenses incurred on their own account.

Senior management annual salary reviews and increases are based on market trends and individual performance. Increases awarded generally was around 6% on a TCTC basis (2019: 0% to 6%) based on performance evaluation processes. The approved increase effective 1 March 2020 has been frozen due to COVID-19.

The senior management team is entitled to participate in the annual short term incentive programme. The short term incentive programme is reviewed annually and is based on set key performance indicators. The programme is aligned using the annual TCTC remuneration package as a base. Dependent on the seniority of the role, the percentage entitlement ranges from 20% to 30%. Payment for successful achievement of set key performance indicators takes place annually in April. Amounts payable are subject to the relevant tax legislation. Although short term in nature, the mechanics and rewards of the scheme have ensured long term retention of key staff. Accordingly, senior management do not participate in the long term Value Group Share Incentive Scheme.

General Staff

General staff are defined as employees who by virtue of their roles, duties and job grading fall under the auspices of the Basic Condition of Employment Act. Dependent on level of role and Patterson Job Grading, remuneration packages are structured on either a TCTC basis or basic salary structure. Certain staff in this category have various benefits relating to medical insurance, retirement funding, group life, income protector, critical illness and funeral cover. In addition, staff are reimbursed for reasonable business expenses.

A formal appraisal process is in use throughout the Group. Individuals are rated based on their performance against set objectives as well as responsibilities specific to their role. This appraisal process occurs on a bi-annual basis. Salaries are benchmarked against market rates and market best practice, utilising various remuneration surveys. Increases are based on the following elements:

- individual performance rating given in the appraisals;
- market salary benchmarking;
- the Group's budget; and
- equal work for equal pay principles within the applicable specific sector.

Increases awarded for 2020 was generally around 6% (2019: 0% to 6%) based on performance evaluations. The approved increase effective 1 March 2020 has been frozen due to COVID-19.

Certain staff are eligible to participate in a bonus scheme. The mechanics of the scheme are designed to reward individual performance but also to harvest team work by applying a second factor linked to divisional performance.

In the 2018 financial year, The Value Group Empowerment Trust was extended for a further five years to July 2022. This long term incentive has been awarded to select BBBEE staff members on recommendation by the board based on their function in the Group and as a means of retaining those incentivised. This incentive is equity settled once notional loans owing are repaid. Detailed breakdown of the mechanics of this long term incentive are reflected in note 30 of the integrated annual report.

Bargaining Unit Staff

A large portion of wage earners within the Group fall within the bargaining unit by virtue of their job classification and are governed by means of the Main Agreement of the National Bargaining Council for the Road Freight and Logistics Industry. This agreement is determined by means of the centralised bargaining within the industry and governs all statutory terms and conditions of employees within the bargaining unit. The extended bargaining unit includes BCEA employees who by virtue of their job functions and salary scales form part of the extended bargaining unit. Salary increase parameters for the extended bargaining unit is determined by means of centralised bargaining and is detailed in the promulgated Main Agreement of the National Bargaining Council for the Road Freight and Logistics Industry. The centrally negotiated increase for the bargaining unit for the 2021 financial year amounted to approximately 7,5% (2020: 8%). For the extended bargaining unit the centrally negotiated increase for the 2021 financial year amounted to approximately 7,5% (2020: 8%).

All staff in this category have benefits relating to medical insurance, retirement funding, group life, income protector, critical illness and funeral cover. Employees who are governed by the National Bargaining Council receive bonuses in accordance with the main agreement of the Bargaining Council annually.

REMUNERATION AND NOMINATION COMMITTEE REPORT (Continued)

REMUNERATION IMPLEMENTATION REPORT

2020

Non-executive directors' fees earned in 2020 exceeded the total fees approved due to the appointment of an additional board member, as follows:

Annual totals Rands	2020 Approved fee	2020 Fees earned	2020 Additional fees earned
B Bulo*	-	53 030	53 030

2021

The proposed fees payable to NM Phosa and B Bulo for 2021 are as follows:

Annual totals Rands	2021 Approved fee	2021 Proposed additional fees	2021 Proposed fees total
NM Phosa***	**664 247**	56 968	721 215
B Bulo*	-	418 182	418 182

2022

The proposed annual totals for each non-executive director for 2022 are as follows:

Annual totals Rands	2022 Proposed fee	2021 Current approved fee	2020 Fees earned
CD Stein	**1 042 758**	1 042 758	983 734
NM Phosa	**724 633**	664 247	626 648
VW Mcobothi	**581 344**	581 344	547 443
IM Groves**	-	830 215	571 099

Annual totals Rands	2022 Proposed fee	2020 Fees earned
B Bulo*	443 273	53 030

Shareholders will be requested to vote on the special resolutions as included in the notice of AGM for the approval of the remuneration of non-executive directors for their services as directors of the Company, as well as the additional fees paid for 2020 and the additional fees payable for 2021 in respect of Ms B Bulo and Mr NM Phosa. Proposed fees for 2022 financial year have also been included in the resolutions for approval by shareholders.

2020 Directors' cost to company

A detailed breakdown of remuneration paid to directors in the 2020 financial year can be found in note 19 of the audited financial statements. A summary of these amounts are as follows:

Annual totals R'000	2020	2019
Executive		
SD Gottschalk	**7 281**	6 869
CL Sack	**8 460**	7 758
M Padiyachy	**6 533**	6 164
Non-executive		
CD Stein	**984**	937
NM Phosa***	**627**	543
VW Mcobothi	**547**	443
IM Groves**	**571**	746
B Bulo*	**53**	-

* Appointed 1 February 2020

** Retire by rotation at the AGM on 23 September 2020 without the option of reappointment

*** Appointed as remuneration and nomination committee chair 12 June 2020

The board has determined that there are no prescribed officers.

Employee benefits

The Group offers various compulsory retirement funding and group life benefits to permanent salaried and waged employees. Certain staff have access to a non-compulsory medical aid. The Group's contribution in respect of the provident and pension fund and group life cover for the current year amounted to R32 263 000 (2019: R37 103 000).

VOTING

The remuneration policy and the implementation report are tabled for separate non-binding advisory votes by shareholders at the AGM. If either of these documents is voted against by shareholders exercising 25% or more of the voting rights exercised, the Company will in its voting results announcement pursuant to paragraph 3.91 of the JSE Listings Requirements, provide for the following: (a) An invitation to dissenting shareholders to engage with the issuer; and (b) The manner and timing of such engagement.

KING IV SUMMARY

PROTECTING VALUE THROUGH GOOD GOVERNANCE AND EFFECTIVE RISK MANAGEMENT

The board of directors are responsible for directing the Group to create and sustain value through responsible and ethical business actions. The board has incorporated the principles of the new King IV report on Corporate Governance (King report) and has made every effort to ensure that the leadership of the business is aligned with achieving the core outcomes for good governance as defined in the King report:

The board has strived to achieve the primary roles and responsibilities for leadership, as recommended by the King report, as part of the Group's business cycle:

RESPONSIBILITY	DELIVERING ON OUR RESPONSIBILITY
Steer and set strategic direction	The board takes ultimate responsibility for directing the Group to achieve sustainable growth by determining the overall strategy and setting targets.
Approve policy and planning	The board delegates responsibility to its various subcommittees to assist in effectively establishing policies and procedures aimed at achieving the overall strategy. The board has the following subcommittees to assist in the execution of its duties: audit and risk, remuneration and nomination and social and ethics.
Oversee and monitor	Management is tasked with implementing and executing the approved strategy under the guidance of the board and various subcommittees.
Ensure accountability	Subcommittees report to the board on their performance as measured against written terms of reference. Transparent and timely reporting is provided to stakeholders.

Details on the Group's implementation of the King IV principles are highlighted below:

	OUTCOMES AND PRINCIPLES	APPLICATION
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP	**Principle 1:** Ethical and effective leadership	The charter of the board commits the board to effective and ethical leadership and sound corporate governance. In addition to fulfilling their statutory and fiduciary duties, all members of the board are expected to display the characteristics of integrity, competence, responsibility, accountability, fairness and transparency. The chair of the board is required to monitor the behaviour of board members in this respect.
	Principle 2: Organisational ethics and culture	Value has a code of ethics in place which is applicable to all employees, including the board of directors. The ethical standards are embedded in processes for the recruitment, evaluation of performance and reward of employees. In addition to monitoring adherence to the code of ethics, the social and ethics committee is responsible for oversight of organisational ethics. Relevant sanctions and remedies are consistently applied when ethical standards are breached.
	Principle 3: Responsible corporate citizen	Compliance with the laws of the country throughout the Group is monitored with any instances of non-compliance promptly remedied. The board has delegated responsibility for monitoring the Group's social responsibility targets to the social and ethics committee. The scope of the committee's mandate includes activities related to the workplace, economy, society and the environment. Performance of the Group is monitored on an ongoing basis.

STRATEGY, PERFORMANCE AND REPORTING	**Principle 4**: Value creation process	Any discussions of strategy, risk and opportunities are based on the prerequisite for long-term sustainability. The board sets key performance targets to continuously monitor the achievement of strategic objectives for value creation over the short, medium and long term, while management is tasked with executing the approved strategy.
	Principle 5: Reporting for decision making	The annual integrated report presents material to provide stakeholders and users with a holistic view of the Group's performance in a clear, concise and understandable manner. This report contains, amongst others, the annual financial statements, corporate governance, value creation and risk management disclosures. The board, with the assistance of the audit and risk committee, ensures that reports issued comply with legal requirements and meet the information needs of material stakeholders. The external auditors provide assurance on the annual financial statements as presented in the integrated annual report.

KING IV SUMMARY (Continued)

	OUTCOMES AND PRINCIPLES	APPLICATION
GOVERNING STRUCTURES AND DELEGATION	**Principle 6**: Custodians of corporate governance	The board is ultimately responsible for the application of corporate governance principles in the Group. The role and functions of the board are set out in the board charter and incorporated into the board's annual work plan. The board is satisfied that it has fulfilled its responsibilities in accordance with its board charter.
	Principle 7: Board composition	With legal and financial experience represented amongst the independent non-executive directors, complementing the extensive skills and experience of the chairman and executive directors, the board has an appropriate mix of knowledge, skills and experience. The composition of the board also introduces the required element of diversity and independence.
	Principle 8: Delegation of authority and balance of power within the board	The board delegates responsibility of its duties to its various sub-committees, each of which has a minimum of three members as recommended by the King report. The current composition of the sub-committees contributes to effective collaboration as well as a balanced distribution of power so that no individual has the ability to dominate decision-making.
	Principle 9: Performance evaluation	A formal self-evaluation of the board and committees' performance during the financial year ended 29 February 2020 was performed. The outcome was satisfactory with no major issues.
	Principle 10: Delegation to management	Specific authority and powers of the board have been delegated to management and such delegation is captured in a formal delegation of authority framework that is reviewed by the board on a regular basis. The CEO does have commitments outside of the Group. However, these have been fully disclosed to the board. The notice period of the CEO in terms of his employment contract is six months. Value has appointed a company secretary on an outsourced basis and thereby has access to extensive governance support and guidance at all times.

	OUTCOMES AND PRINCIPLES	APPLICATION
GOVERNANCE FUNCTIONAL AREAS	**Principle 11**: Risk governance	The governance and oversight of risk management has always been a material item on the board's work plan. This function is fulfilled with the assistance of the audit and risk committee. A comprehensive risk management process is in place for identifying, evaluating and monitoring the nature and extent of risks affecting the business. Internal audit assists management in evaluating the process for managing key risks. A Group risk register is updated on a continuous basis and submitted at each meeting of the audit and risk committee.
	Principle 12: Governance over technology and information	An IT governance charter formalises lines of delegation from the board and audit and risk committee through to the Chief Information Officer (CIO), as well as sets out policies, procedures and performance metrics which work together in the IT governance framework. The board receives a quarterly update on all aspects of IT pertaining to risks, governance, application and infrastructure statuses and projects in progress from the CIO to determine if IT risks fall within defined tolerance levels.
	Principle 13: Compliance with laws and standards	The board's approach to compliance is addressed in the board charter. The regulatory environment is continually monitored by management by means of a compliance checklist to identify new or amended legislation that may have an impact on the Group. The board is satisfied that the Group has complied with all the relevant laws and regulations for the period under review.
	Principle 14: Fair and responsible remuneration	The remuneration and nominations committee supports the board with the governance of remuneration throughout the Group and ensuring fair and responsible remuneration practices.
	Principle 15: Assurance services and functions	This function is fulfilled with the assistance of the audit and risk committee who amongst other things are responsible for overseeing the internal audit function, including the internal audit plan, as well as to advise the board on the appointment of the external auditors. The committee is also responsible for reviewing interim and final financial results before submission to the board.

STAKEHOLDER RELATIONSHIPS	**Principle 16**: Stakeholder-inclusive approach	The board has identified material stakeholders of the Group and considers the legitimate and reasonable needs and expectations of such stakeholders on an ongoing basis as part of the decision-making process and in acting in the best interest of the Group.
	Principle 17: Responsible investment practises	This principle is not applicable as the Group is not an institutional investor.

The detailed King IV™ application register can be found on the Group's website, www.value.co.za

RISK MANAGEMENT

The board is responsible for ensuring an effective risk management programme is implemented and maintained throughout the Group.

This responsibility is discharged through the audit and risk committee which oversees the risk management process and reports to the board on its effectiveness and the effectiveness of mitigation measures implemented where possible.

The risk management steering committee is a committee directed by the audit and risk committee, who are responsible for:

- managing and co-ordinating the risk management process;
- developing frameworks, methodologies and policies related to the risk management effort;
- co-ordinating the regular risk workshops and formal updating of divisional and corporate risk registers and risk mitigation plans;
- maintaining corporate risk and risk control information;
- ensuring that all relevant risk areas are considered including those emanating from the services of external providers and contractors;
- risk analysis and reporting to the Group's audit and risk committee; and
- ensuring appropriate alignment between the Group's risk management process, its business and corporate planning process, and budgeting process.

This steering committee comprises representatives from the Group's executive divisions and business units.

Executive and divisional management are accountable and required to support the risk management endeavour by identifying risk events, assessing their potential impact and likelihood, and implementing mitigation plans.

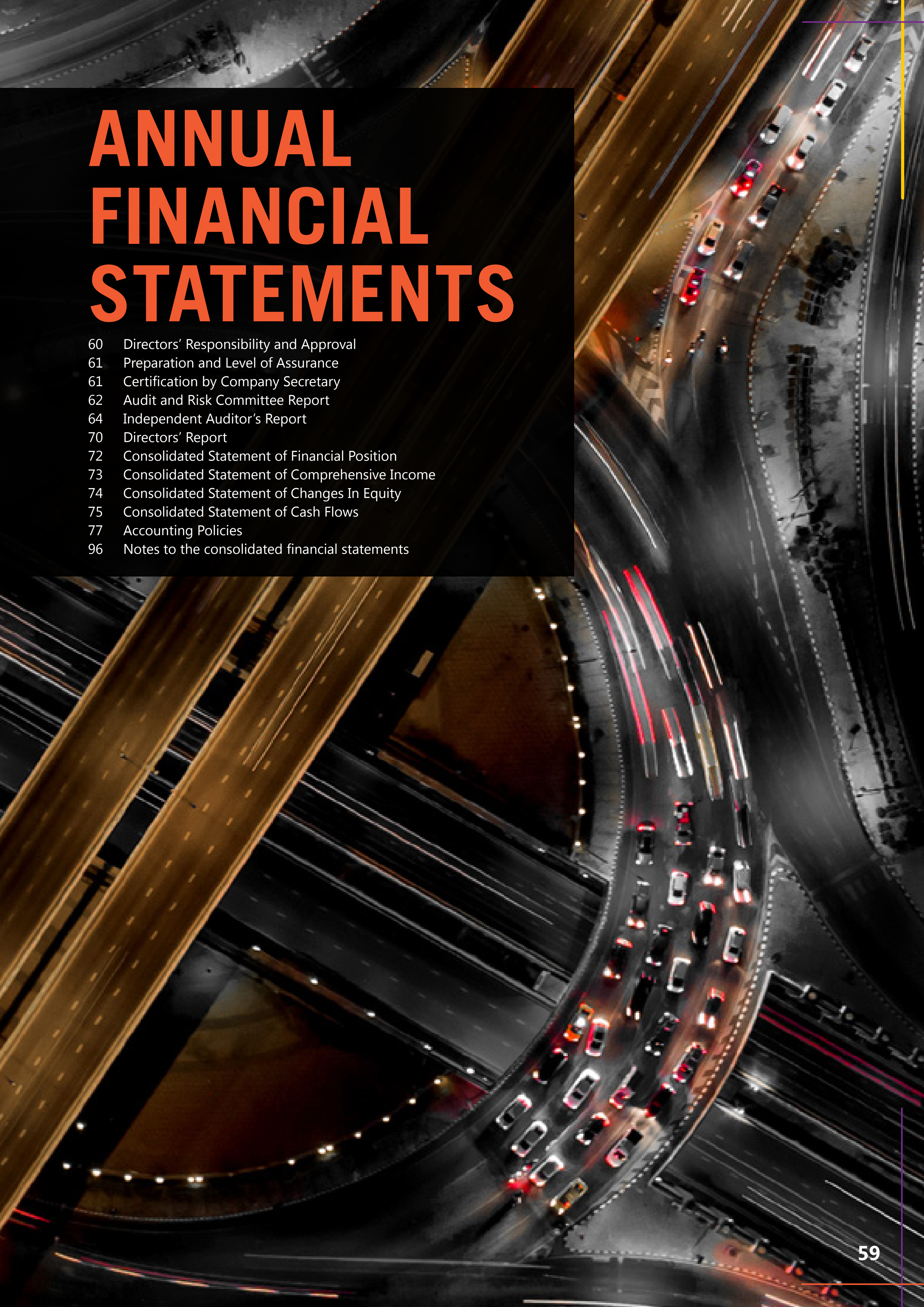
Internal audit assists management by performing assurance procedures to assess the success factor of mitigating control activities in addition to providing commentary on the effectiveness of the overall risk management process.

The below summary provides a context for understanding the most critical risks faced by the Group:

RISKS	RISK MITIGATION
1. Market risk	
COVID-19 There is a risk of reduced profitability due to business interruption, reduced operations and low volumes.	• Immediate reduction of fixed and variable costs. • Salary and board fee increases placed on hold. • Re-evaluation of capital expenditure. • Further mitigation measures as detailed in the combined Chief executive officer's and Group financial director's report.
Economic environment The economic environment and downturn remains a challenge for the Group and will affect the sales, revenue and profitability of certain divisions.	• Increase focus on profitable areas of the business. • Expand and enhance service offerings to existing customers. • Review rate structures for competitiveness in the market. • Provide superior logistics services and cost effective products to attract new and retain existing customers.
2. Regulatory compliance risk	
The Group is subject to a multitude of legislative statutes and regulations which it is obliged to comply with. The potential impact of non-compliance could result in additional costs and fines, and more importantly, reputational damage which would negatively affect profitability.	• Ongoing review of statutes and regulations and assessment of the impact on the Group. • Ongoing training of management on the implications of current, new and changes in existing legislation. • All legal issues channelled through the Group's legal department. • Certain specialist risk mitigation departments established which monitor and ensure compliance in areas assessed as high risk. • Standard operating procedures across the Group. • Review of safety, health, environment and quality (SHEQ) management systems in progress.

RISKS	RISK MITIGATION
3. Information technology risk With the ongoing rapid changes in hardware and applications technology, it is vital that the Group's IT platforms remain relevant and state of the art to manage the operation uptime requirements, complexity and volume of transactions within the Group. Any system unavailability can adversely affect operations. In addition, customers' interface requirements are becoming more complex as is the consolidated reporting requirements. Lastly, cyber threats have the ability to severely disrupt operations and cause brand reputational damage.	• Regular reporting to the Group's board in relation to IT projects underway, proposals for capital expenditure, IT governance and alignment with strategy. • The Group's server infrastructure required upgrading and consequently a more cost effective solution was undertaken to relocate a major portion of its IT infrastructure into a cloud based environment. • Continuous drive towards application improvements, implementation of new technologies and automation of manual processes. • Projects are underway to upgrade a large portion of the major IT applications and databases to the latest versions. • Cyber insurance is in place. • Ongoing training and awareness strategies to educate staff of the methodologies and effects of cyber-crime. • Implementation of additional network, application and infrastructure security features to counter cyber threats.
4. Staff succession risk The availability of people with the required skill sets in the logistics market is very limited. Consequently, existing staff have to be developed, upskilled and retained which has led to an ageing, skilled employee base. There is an increased risk of extended sick leave due to the COVID-19 pandemic. Absenteeism of key personnel during this time can result in operational inefficiencies.	• Senior Management incentive schemes designed to retain key personnel. • Succession plan in place for a number of Senior Management positions. • Multi-skilling of staff. • Promotion of existing staff to provide opportunities for advancement and growth. • Re-evaluation of packages to ensure they are market related. • Replacement of vital staff with industry experience as required. • Stringent SHEQ compliance procedures in place to ensure the health and safety of all employees against COVID-19.

RISKS	RISK MITIGATION
5. Labour and supplier disruptions risk Unprotected and protected strikes can have a material impact on cost and service delivery to the Group's customers. In certain instances the Group makes use of subcontractors. The Group may be held liable in instances where these subcontractors do not have sufficient insurance for the product being transported.	• Build and maintain good relations with our labour force which has had the effect of diluting disruptive behaviour and service delivery. • Labour pay rates are all aligned to that prescribed by the bargaining councils where applicable. • The Group operates in different locations with the ability to change supply chain locations. The risk is thus spread and dissipated. • Converted the permanent labour broker staff to permanent employees of the Group. • Contracts with key suppliers governing service delivery and service level agreements. • Subcontractor agreements have been concluded whereby certain warranties have been given and insurance cover included and verified.
6. Risk of fire The facilities of the Group could be susceptible to the risk of fire, thereby negatively impacting customers utilising the warehousing and distribution services of the Group.	• All facilities containing customer products that are larger than two five hundred square metres have roof mounted fire sprinklers. In addition, in-line rack sprinklers have been installed in facilities that make use of product pallet racking. • Flammable and chemical products are warehoused and distributed from purpose-built facilities, thereby removing exposure to other products warehoused and distributed. • All facilities have fire clearance certificates. Facilities handling dangerous goods have the required permits and licences. • Compliance with regulated stacking heights, product mixes and product locations to reduce the risk of fire. • Stringent testing and maintenance schedules of all fire retardant and fire management equipment in all premises. Facilities with fire sprinkler systems supplied by fire pumps and bulk water tanks are serviced by ASIB approved service providers. Meetings are held every two weeks between Value representatives and service providers to monitor maintenance and address any issues. • The Group has extensive insurance in place in the case of a major fire.



ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the Group's state of affairs as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and its subsidiaries and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2021 and, in light of this review and the current financial position, are satisfied that the business has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated financial statements. The consolidated financial statements have been examined by the external auditors and their report is presented on page 64.

The consolidated financial statements set out on pages 72 to 127 which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:

CD Stein
Chairman

SD Gottschalk
Chief executive officer

6 August 2020

PREPARATION AND LEVEL OF ASSURANCE

The consolidated financial statements have been prepared under the supervision of Mr CL Sack CA(SA), the Group's financial director, and have been audited by SVG in compliance with the Companies Act 71 of 2008.

Date published: 6 August 2020

CERTIFICATION BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 71 of 2008 as amended, I certify that to the best of my knowledge and belief, the Group has in respect of the financial year reported upon, lodged with the Companies and Intellectual Property Commission all returns required of a public group in terms of the Companies Act 71 of 2008 and that all such returns are true, correct and up to date.

Crisna Erasmus

On behalf of:
Fluidrock Co Sec Proprietary Limited

6 August 2020

AUDIT AND RISK COMMITTEE REPORT

for the year ended 29 February 2020

BACKGROUND

The audit and risk committee (the committee) has formal terms of reference which set out the committee's board-approved charter. The board is satisfied that the committee has complied with these terms and its responsibilities as recommended by King IV and in accordance with the Companies Act 71 of 2008 and the JSE listing requirements.

MEMBERSHIP

The committee comprises three independent non-executive directors who collectively possess the knowledge and experience to fulfil the committee function. Membership and attendance of the committee members is reflected on page 42 of the integrated annual report.

SCOPE AND OBJECTIVES

The scope and objectives of the committee are as follows:

- consider and nominate to the board, the appointments and/or termination of the external auditors, including an assessment of their performance, independence and objectivity;
- determine the audit fee of the external auditors;
- consider and set mandatory term limits on the period that the engagement partner of the external auditors may serve the Group;
- determine the nature, scope and extent of audit and any non-audit services which the external auditors may provide to the Group;
- review half year interim results and consolidated financial statements before submission to the board;
- assess the experience and expertise of the Group's financial director;
- undertake the prescribed functions (in terms of section 94(7) of the Companies Act 71 of 2008) on behalf of the Group;
- oversee the internal audit functions and the effectiveness thereof;
- review both internal and external auditors' reports;
- review fraud risk and whistle-blower arrangements and consider any complaints;
- review policies and procedures for preventing and detecting of fraud;
- establish that management is adhering to, and continually improving internal controls;
- consider information technology risks and controls, business continuity and data recovery related to IT, and information security and privacy;
- review the going concern statement and make recommendations to the board; and
- perform any other functions as may be determined by the board.

During the year, the committee performed the following activities:

- considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided was not such that they could be seen to have impaired their independence;
- received and reviewed reports from the internal auditors concerning the effectiveness of internal controls, systems and procedures;
- reviewed the reports of the internal auditors detailing their concerns arising out of their audits and requested appropriate responses from management resulting in their concerns being addressed;
- made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of internal audit findings;
- reviewed and recommended for adoption by the board financial information that is publicly disclosed which included:
    - Interim results for the six months ended 31 August 2019;
    - Preliminary results for the year ended 29 February 2020; and
    - Audited results for the year ended 29 February 2020.
- reviewed IT managers' infrastructure, applications and governance reports; and
- reviewed the Group's risk management processes and assessed the key risks as detailed in the risk management report, the likelihood and the impact thereof, and any associated mitigating controls.

The committee is of the opinion that the objectives of the committee were met during the year under review.

Where weaknesses in specific controls had been identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

COMBINED ASSURANCE

The committee is also responsible for monitoring the appropriateness of the Group's combined assurance model and ensuring that significant risks are adequately addressed. The committee also ensures that there is sufficient cooperation between the Group's various assurance providers, including the external auditor, internal audit function, risk officer and compliance officer.

The combined assurance model of the Group incorporates and optimises all assurance services and functions, from management through to the internal and external assurance providers, to facilitate an effective control environment, minimise risk, support the integrity of information used for decision-making by management, the governing body and its committees, and support the integrity of the Group's external reports.

Performance Assurance

Certain operations within the Group are continuously subjected to risk-based, integrated and combined assurance reviews. The outcome of these reviews provides reasonable assurance to allow the board, on the recommendation of the committee, to determine the effectiveness of the Group's system of internal controls over financial reporting.

Internal Assurance

The objective of internal audit is to assist the board in the effective discharge of its responsibilities, taking both financial and non-financial aspects into account. Audits are performed in accordance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Audit. Furthermore, these audits are conducted in line with the audit charter as approved by the committee. Where internal audit has been identified in the combined assurance plan as one of the assurance providers, the committee ensures that the activities allocated to internal audit in terms of the combined assurance plan are included in the scope of coverage and in the internal audit plan. The Chief audit executive attends and presents its findings to the committee. The committee is satisfied with the performance and expertise of the Chief audit executive.

External Assurance

External assurance is currently provided by SVG. The committee is responsible for recommending the external auditor for appointment by shareholders and for ensuring that the external auditor carries out an annual audit of the Group in accordance with International Standards on Auditing and reports in detail on the results of the audit to the committee.

The committee has reviewed the combined assurance framework for the Group to satisfy itself with management's initial conclusions and will continue to review it as part of its role in oversight of risk management. The combined assurance provided is sufficient to satisfy the committee that significant risk areas within the Group have been adequately addressed and suitable controls exist to mitigate and reduce these risks.

EXTERNAL AUDIT

The committee regularly reviews the external auditor's independence and has satisfied itself that the external auditor was independent of the Group as set out in sections 90(2)(c) and 94(8) of the Companies Act, 71 of 2008, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors.

SVG has been the Group's auditors for 23 years. The firm rotates the designated engagement partner at least every five years. Requisite assurance was sought and provided by the external auditor that internal governance processes within SVG support and demonstrate their claim to independence.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 29 February 2020.

There is a formal written policy and procedure that governs the process whereby the external auditor is considered for non-audit services. The committee approves the terms of the written policy for the provision of non-audit services by the external auditor, and approved the nature and extent of non-audit services that the external auditor may provide.

The committee is satisfied with the quality of the external audit. It was further satisfied that the audit firm is accredited to appear on the JSE List of Accredited Auditors. In addition, the committee confirms that its responsibilities pursuant to paragraph 22.15(h) of the JSE Limited Listings Requirements have been met.

The committee has nominated, for reappointment at the annual general meeting, SVG as the external auditor for Value Group Limited for the financial year ended 28 February 2021.

GROUP FINANCIAL DIRECTOR

The committee has reviewed the performance, experience and expertise of the Group financial director, Clive Sack, and confirms his suitability to carry out his duties as financial director in terms of the JSE Listing Requirements. In addition, the committee is satisfied that the financial reporting procedures are in place and functional and that the financial director is adequately supported by qualified and competent staff.

ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the integrated annual report encompassing the consolidated financial statements for the year ended 29 February 2020 and considers that it complies, in all material aspects, with the requirements of the Companies Act 71 of 2008 and International Financial Reporting Standards. The committee has considered the JSE's letter of 18 February 2020 (JSE Proactive Monitoring Process) and those of previous periods, and taken appropriate action where necessary, in the preparation of the consolidated financial statements. The committee therefore recommended this report for approval to the board. The board has subsequently approved this integrated annual report which will be open for discussion at the forthcoming annual general meeting.

VW Mcobothi
Audit and risk committee acting chairman

6 August 2020

INDEPENDENT AUDITOR'S REPORT
for the year ended 29 February 2020

To the Shareholders of Value Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Value Group Limited and its subsidiaries (the Group) set out on pages 72 to 127, which comprise the consolidated statement of financial position as at 29 February 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 29 February 2020, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 29 February 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the key audit matter
Testing goodwill for impairment	
Total goodwill of R16,6 million has arisen in the past as a result of the acquisitions made by the Group of Key Distributors Proprietary Limited. As required by IFRS, the Group performs an annual impairment test on goodwill. Impairment exists if the carrying amount of the cash generating unit to which the goodwill relates exceeds its recoverable amount. The annual impairment test was significant to our audit as the goodwill impairment test is complex and highly judgemental. As detailed in note 1.1, significant judgement is required by the directors in determining key assumptions to use in a cash flow forecast model, including the expected period of cash flows, and the discount and growth rates. The outbreak of the Coronavirus (COVID-19) and the resultant lockdown in South Africa is a triggering event for possible impairment and required a detailed reassessment of key assumptions made in the cash flow forecast model and increased the level of estimation uncertainty. Further information on the key inputs and recoverable amounts relating to the cash generating unit is also disclosed in note 5.	Our tests on the key assumptions included the following audit procedures: • Evaluation of whether the cash flow forecast model complies with the requirements of IAS 36: Impairment of Assets; • Comparing the inputs for the cash flow forecast model to historical and forecasted information which takes into account the anticipated impact of COVID-19. We noted that the COVID-19 adjustments were consistent with the actual results achieved to date; • Evaluating the key assumptions used in the cash flow forecast model based on expected and historical performance; • Assessing the reasonability of the period used to forecast cash flows; • Using the above information, challenging management on the key assumptions used in the cash flow forecasts and discount rate; • Assessing the individual components of the discount rate by comparison to market variables and by applying our own sensitivity analysis; and • Assessing the model's results based on a range of possible outcomes. We found the goodwill impairment assessments to be reasonable and fair. The disclosure of goodwill, the judgements applied and the key assumptions applied in the consolidated financial statements were evaluated and found to be appropriate.

INDEPENDENT AUDITOR'S REPORT

for the year ended 29 February 2020 (Continued)

Key Audit Matter	How our audit addressed the key audit matter
IFRS 16 Implementation	
IFRS16: Leases became effective for the Group in the current period. IFRS16 is a complex standard and results in leases which were previously classified as operating leases and not recorded on the consolidated statement of financial position being capitalised on the consolidated statement of financial position. The Group has entered into various leases for property, plant and equipment, the most significant of which relate to land and buildings. The adoption of this accounting standard has had a significant impact on the Group's consolidated financial statements. The right of use (ROU) assets and the total lease liabilities at year-end amount to R608,6 million and R846 million respectively. The implementation of IFRS16 is considered to be a key audit matter due to the material effect that this standard had on the financial information of the Group and the assumptions required in measuring the ROU assets and related lease liabilities. The relevant disclosures are set out in Accounting Policy notes 1.2 and 1.12, and notes 3 and 16 to the consolidated financial statements.	Management elected the fully retrospective approach to transition to the new standard. We ensured that the selected approach was properly implemented and was applied to the entire lease portfolio. In evaluating the first-time adoption and ongoing accounting for leases in terms of IFRS16, our procedures included the following: • Obtaining substantive evidence for a sample of leases which were included in management's IFRS16 calculations. This included but was not limited to: • Assessing the reasonability of the various incremental borrowing rates used; • Assessing whether the correct contractual terms were applied in management's calculations including critically evaluating management's judgements applied to termination and renewal options; • Assessing the mathematical accuracy of management's calculations; • Performing a completeness assessment to ensure that all material contracts which contain a lease contract were identified and recognized on the statement of financial position. We confirmed that the ROU assets are being depreciated in accordance with the Group's accounting policies. We found the Group's adoption of IFRS16 and the assumptions applied in valuing the ROU assets and the lease liabilities to be appropriate. We consider that the disclosures related to IFRS16 included in Accounting Policy notes 1.2 and 1.12 as well as notes 3 and 16 of the consolidated financial statements are appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the integrated annual report which includes the directors' report, the audit and risk committee's report and the company secretary's certificate as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SVG has been the auditor of Value Group Limited for 23 years.

SVG

EL Steyn
Partner
Registered Auditor
6 August 2020
Illovo

DIRECTORS' REPORT

for the year ended 29 February 2020

The directors have pleasure in submitting their report together with the consolidated financial statements for the year ended 29 February 2020.

NATURE OF THE BUSINESS

Value Group Limited (the Company) is a holding company whose shares are listed on the JSE Limited (JSE). Subsidiary companies provide a comprehensive range of tailored logistical solutions throughout Southern Africa. The major operating divisions specialise in providing a diversified range of supply chain services, which encompass distribution, transport, clearing and forwarding, warehousing, fleet management, materials handling and commercial vehicle rental and full maintenance leasing. The Group's retail operations supplies FMCG products into the convenience, formal and informal market.

FINANCIAL RESULTS

The financial results and state of affairs of the Group are fully set out in the consolidated financial statements.

Revenue increased by a marginal 4% over the previous year to R2,88 billion. Gross profit increased by 7,4% to R947,8 million due to management's ongoing focus on improving operational efficiencies in addition to improved planning and maintenance cost savings. As a result, gross profit margins improved from 31,7% to 32,9%. Salary and marketing cost increases partly tempered the increase in gross profit resulting in operating profit increasing by 0,9% to R257,7 million.

Headline earnings increased by 22% from 75,6 cents per share (restated) to 92,2 cents per share.

Further commentary on the consolidated financial results is provided in the Chairman's statement and the combined Chief executive officer's and Group financial director's report.

AUTHORISED AND ISSUED SHARE CAPITAL

During the current period 2 368 106 shares were acquired by a subsidiary company at a cost of R13,2 million. Subsequent to 29 February 2020, 2 607 588 shares were acquired by a subsidiary company at a cost of R10,9 million. There are currently 172 635 000 ordinary shares in issue.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 23 March 2020, South Africa entered an unprecedented lockdown following the declaration on 11 March 2020 by the World Health Organisation of COVID-19 as a global pandemic.

The post year-end events relating to COVID-19 have therefore been assessed as non-adjusting post-balance sheet events.

The initial stages of lockdown saw substantial restrictions on trade with the Group only being able to service those customers who were designated as essential service providers. While the full impact of the lockdown is yet to be seen, the Group has enough cash resources and a sound balance sheet to continue in operational existence for the foreseeable future. Budgeted scenario analyses have confirmed the Group's ability to service its outstanding debt commitments and that it will continue to meet its debt covenant requirements. From 1 June 2020, with the shift to less restrictive level 3 lockdown, the Group became almost fully operational. Further details can be found in the notes to the consolidated financial statements and the combined Chief executive officer's and Group financial director's report.

Aside from the share repurchase transactions as noted above and the effects of COVID-19, the directors are not aware of any other matter or circumstance, not otherwise dealt with in this report or the consolidated financial statements, which would affect the operations of the Group and the Company or the results of their operations significantly.

DIRECTORS’ INTEREST IN SHARE CAPITAL OF THE COMPANY

The directors’ interest in the issued share capital of the Company is tabled in note 31.

DIRECTORS’ REMUNERATION

Details of the remuneration paid to directors of the Group are tabled in note 19.

DIRECTORS’ INTEREST IN CONTRACTS

No material contracts involving directors’ interests were entered into in the current financial year other than the transactions detailed in notes 19, 27, 30 and 31.

SHARE INCENTIVE SCHEMES

The Value Group Share Incentive Trust owns 1 012 136 (2019: 1 393 204) ordinary shares in Value Group Limited. These shares represent 0,6% (2019: 0,8%) of the total issued share capital.

The Value Group Empowerment Trust owns 10 429 010 (2019: 10 429 010) A ordinary shares in Value Group Limited. These shares represent 5,7% (2019: 5,7%) of the total issued share capital of the Company.

These shares, along with those held by the companies controlled by Dr NM Phosa and Mr M Padiyachy are classified as treasury shares in the consolidated statement of financial position.

Further details of options/units granted to employees and directors are disclosed in note 30.

DIVIDENDS

Dividend number 25 of 27 cents per share was declared on 10 May 2019 and paid on 1 July 2019 to shareholders registered on 25 June 2019.

Dividend number 26 of 16 cents per share was declared on 17 October 2019 and paid on 20 January 2020 to shareholders registered on 14 January 2020.

Dividend number 27 of 24 cents per share was declared on 12 June 2020 and will be paid on 11 August 2020 to shareholders registered on 4 August 2020.

DIRECTORATE, SECRETARY AND AUDITORS

The names of the directors in office at the date of this report are set out on pages 8 and 9.

Information pertaining to the company secretary is set out on company information (IBC).

Information pertaining to the Group’s auditors, SVG, is set out on company information (IBC).

COMPLIANCE WITH APPLICABLE LAWS

The board confirms that the Company continues to conform with the primary legislation governing its establishment and operation. This includes the Companies Act 71 of 2008, as amended, the JSE Listings Requirements and the Company’s Memorandum of Incorporation.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 29 February 2020

R'000	Notes	2020	Restated 2019*	Restated 2018*
ASSETS				
Non-current assets		**1 641 041**	1 797 546	1 945 295
Property, vehicles, plant and equipment	2	**993 796**	1 003 231	1 004 903
Right-of-use assets	3	**608 646**	758 330	906 223
Intangible assets	4	**13 528**	10 981	10 603
Goodwill	5	**16 561**	16 561	16 561
Loan receivable	6	**2 636**	3 001	1 575
Equity-accounted investees	7	**63**	77	380
Deferred tax asset	8	**5 811**	5 365	5 050
Current assets		**697 777**	599 564	553 514
Inventories	9	**107 807**	103 457	66 424
Trade and other receivables	10	**321 184**	313 110	335 532
Other financial assets	11	**5 878**	6 140	8 765
Current tax receivable		**335**	913	3 176
Cash and cash equivalents	12	**262 573**	175 944	139 617
Non-current assets held for sale	13	**201**	797	116
Total assets		**2 339 019**	2 397 907	2 498 925
EQUITY AND LIABILITIES				
Equity		**798 167**	740 980	713 591
Share capital and premium	14	**10 826**	10 826	10 839
Treasury shares		**(103 629)**	(91 433)	(113 408)
Foreign currency translation reserve		**-**	-	104
Share-based payment reserve	30	**25 282**	22 108	20 146
Retained income		**865 688**	799 479	799 240
Equity attributable to owners of the Company		**798 167**	740 980	716 921
Non-controlling interests		**-**	-	(3 330)
Non-current liabilities		**905 788**	1 081 924	1 219 698
Interest-bearing borrowings	15	**135 963**	125 475	108 601
Lease liabilities	16	**656 513**	837 318	981 652
Deferred tax liability	8	**113 312**	119 131	129 445
Current liabilities		**635 064**	575 003	565 636
Trade and other payables	17	**391 653**	372 000	379 486
Interest-bearing borrowings	15	**52 770**	57 219	69 227
Lease liabilities	16	**189 444**	144 334	112 555
Other financial liabilities		**-**	-	3 299
Current tax payable		**377**	757	464
Shareholders for dividend		**820**	693	605
Total equity and liabilities		**2 339 019**	2 397 907	2 498 925

* Restated for the effects of IFRS 16. Refer to note 1.2 Adoption of new and revised standards.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2020

R'000	Notes	2020	Restated 2019*
Revenue	18 & 24	**2 879 500**	2 779 675
Cost of sales		**(1 931 720)**	(1 897 229)
Gross profit		**947 780**	882 446
Other income	19	**32 574**	45 668
Movement in trade receivables loss allowance	10	**(3 806)**	2 412
Operating expenses		**(718 847)**	(675 242)
Operating profit	19	**257 701**	255 284
Share of loss of equity-accounted investees	7	**(14)**	(13)
Fair value adjustment	11	**(1 024)**	(2 625)
Finance income	20	**7 353**	4 293
Finance costs	21	**(95 845)**	(109 226)
Net profit before taxation		**168 171**	147 713
Taxation	22	**(40 805)**	(38 047)
Net profit for the year		**127 366**	109 666
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign currency translation differences		**-**	(104)
Total comprehensive income for the year		**127 366**	109 562
Net profit for the year attributable to:			
Owners of the Company		**127 366**	106 336
Non-controlling interests		**-**	3 330
		127 366	109 666
Total comprehensive income for the year attributable to:			
Owners of the Company		**127 366**	106 232
Non-controlling interests		**-**	3 330
		127 366	109 562
Earnings per ordinary share (cents)	23		
- basic		**89,5**	73,2
- diluted basic		**84,1**	70,6

* Restated for the effects of IFRS 16. Refer to note 1.2 Adoption of new and revised standards.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2020

R'000	Share capital and share premium	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Retained income	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at 28 February 2018	10 839	(113 408)	104	20 146	934 283	851 964	(3 330)	848 634
- Effect of IFRS 16 restatement	-	-	-	-	(135 043)	(135 043)	-	(135 043)
Restated balance at 28 February 2018	10 839	(113 408)	104	20 146	799 240	716 921	(3 330)	713 591
Transactions with owners	(13)	21 975	-	-	(106 097)	(84 135)	-	(84 135)
- Dividends paid	-	-	-	-	(50 934)	(50 934)	-	(50 934)
- Treasury shares cancelled	(13)	55 407	-	-	(55 394)	-	-	-
- Treasury shares acquired	-	(34 314)	-	-	-	(34 314)	-	(34 314)
- Treasury shares sold	-	882	-	-	231	1 113	-	1 113
Total comprehensive income for the year	-	-	(104)	1 962	106 336	108 194	3 330	111 524
- Net profit for the year	-	-	-	-	106 336	106 336	3 330	109 666
- Share-based payment expense	-	-	-	1 962	-	1 962	-	1 962
- Foreign currency translation differences	-	-	(104)	-	-	(104)	-	(104)
Balance at 28 February 2019	**10 826**	**(91 433)**	**-**	**22 108**	**799 479**	**740 980**	**-**	**740 980**
Transactions with owners	**-**	**(12 196)**	**-**	**-**	**(61 157)**	**(73 353)**	**-**	**(73 353)**
- Dividends paid	**-**	**-**	**-**	**-**	**(61 291)**	**(61 291)**	**-**	**(61 291)**
- Treasury shares acquired	**-**	**(13 175)**	**-**	**-**	**-**	**(13 175)**	**-**	**(13 175)**
- Treasury shares sold	**-**	**979**	**-**	**-**	**134**	**1 113**	**-**	**1 113**
Total comprehensive income for the year	**-**	**-**	**-**	**3 174**	**127 366**	**130 540**	**-**	**130 540**
- Net profit for the year	**-**	**-**	**-**	**-**	**127 366**	**127 366**	**-**	**127 366**
- Share-based payment expense	**-**	**-**	**-**	**3 174**	**-**	**3 174**	**-**	**3 174**
Balance at 29 February 2020	**10 826**	**(103 629)**	**-**	**25 282**	**865 688**	**798 167**	**-**	**798 167**

Dividends per share are detailed in note 32.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2020

R'000	Notes	2020	Restated 2019*
Cash flows from operating activities		**402 220**	334 709
Cash generated by operations	i	**598 748**	536 608
Finance income		**7 353**	4 293
Finance costs		**(95 845)**	(109 226)
Taxation paid	ii	**(46 872)**	(46 120)
Dividends paid	iii	**(61 164)**	(50 846)
Cash flows from investing activities		**(83 883)**	(56 990)
Purchase of property, vehicles, plant and equipment	2	**(80 150)**	(51 247)
Purchase of intangible assets	4	**(7 728)**	(5 072)
Proceeds on disposal of property, vehicles, plant and equipment		**982**	2 091
Proceeds on disposal of non-current assets held for sale		**3 013**	1 834
Payment of vendor - Key Distributors acquisition		**-**	(3 268)
Dividend received from equity accounted investees		**-**	290
Increase in loan receivable		**-**	(1 618)
Cash flow from financing activities		**(231 708)**	(241 392)
Repayment of loans		**(71 461)**	(84 739)
Repayment of lease liabilities		**(148 185)**	(123 452)
Treasury shares acquired		**(13 175)**	(34 314)
Proceeds on disposal of treasury shares		**1 113**	1 113
Net change in cash and cash equivalents		**86 629**	36 327
Cash and cash equivalents at beginning of the year		**175 944**	139 617
Cash and cash equivalents at end of the year	12	**262 573**	175 944

* Restated for the effects of IFRS 16. Refer to note 1.2 Adoption of new and revised standards.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2020

	R'000	2020	2019*
i	**Cash generated from operations**		
	Net profit before taxation	**168 171**	147 713
	Adjustments for:		
	Depreciation of property, vehicles, plant and equipment	**100 949**	96 538
	Depreciation of right-of-use assets	**162 174**	158 790
	Amortisation of intangible assets	**5 181**	4 685
	Impairment of rental vehicles held for sale	**6 772**	1 313
	Finance income	**(7 353)**	(4 293)
	Fair value adjustment to loan receivable	**365**	192
	Finance costs	**95 845**	109 226
	Straight-line rental income	**471**	(663)
	Loss on disposal of property, vehicles, plant and equipment	**3 924**	4 532
	Loss on disposal of non-current assets held for sale	**1 554**	252
	Loss on disposal of intangible assets	**-**	26
	Profit on disposal of rental assets	**(7 470)**	(5 292)
	Fair value adjustment relating to forward exchange contracts	**(762)**	(31)
	Fair value adjustment of insurance cell	**1 024**	2 625
	Foreign currency translation movement	**-**	(104)
	Share-based payment expense	**3 174**	1 962
	Share of loss of equity-accounted investees	**14**	13
	Cash generated by operations before movements in working capital	**534 033**	517 484
	Movements in working capital:		
	Inventories	**(1 541)**	(23 643)
	Trade and other receivables	**(8 074)**	22 422
	Trade and other payables	**19 182**	(6 823)
	Cash generated by operations before proceeds on disposal of rental assets	**543 600**	509 440
	Proceeds on disposal of rental assets	**55 148**	27 168
	Cash generated by operations	**598 748**	536 608
ii	**Taxation paid**		
	Opening balance	**156**	2 712
	Taxation per note 22	**(47 070)**	(48 676)
	Closing balance	**42**	(156)
		(46 872)	(46 120)
iii	**Dividends paid**		
	Charge to the statement of changes in equity	**(61 291)**	(50 934)
	Movement in shareholders for dividend	**127**	88
		(61 164)	(50 846)

* Restated for the effects of IFRS 16. Refer to note 1.2 Adoption of new and revised standards.

ACCOUNTING POLICIES

1 PRESENTATION OF FINANCIAL STATEMENTS

Value Group Limited is a company domiciled in South Africa. Its ultimate controlling party is Lougot Property Investments Proprietary Limited. The address of the Company's registered office is shown on the IBC. The consolidated financial statements at and for the period ended 29 February 2020 comprise the Company and its subsidiaries (together referred to as the Group). The principal activities of the Group and the nature of its operations have been disclosed in the directors' report in detail.

The consolidated financial statements ("the financial statements") have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act 71 of 2008.

The consolidated financial statements are prepared as a going concern on a historical cost basis except for certain financial instruments, which are stated at fair value, as applicable. Other than the adoption of IFRS 16: Leases, the accounting policies, inclusive of reasonable judgements and assessments, have been consistently applied for all reporting periods presented.

The consolidated financial statements are presented in Rand (ZAR), which is the functional currency of the Group. Amounts are rounded to the nearest thousand except where another rounding measure has been indicated.

1.1 SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgements include:

Adjusting versus non-adjusting post-balance sheet events

The World Health Organisation declared COVID-19 as a pandemic on 11 March 2020. On 23 March 2020, President Cyril Ramaphosa announced a nation-wide lockdown as a stricter measure to contain the spread of the virus. Both of these dates are post the financial year end. Hence the post year-end events relating to the COVID-19 pandemic and subsequent nation-wide lockdown have been assessed as non-adjusting post-balance sheet events.

As a result, any forward looking information used for impairment assessments in terms of IAS 36: Impairment of Assets and IFRS 9: Financial Instruments only includes information that was available to the Group at the reporting date.

Going concern

While the full impact of the lockdown is yet to be seen, the Group has sufficient cash resources and a sound balance sheet to continue in operational existence for the foreseeable future.

Management have carefully assessed the performance of the Group in the five months since financial year end. Various scenario analyses based on actual results for these five months and budgets for the remaining seven months have been performed and the results place the Group in a favourable position. The outlook for the Group's operations regarding future trading circumstances is positive.

In addition, the Group is well positioned to meet customer requirements during the various lockdown stages.

Budgeted scenario analyses have confirmed the Group's ability to service its outstanding debt commitments and that it will continue to meet its debt covenant requirements.

The going concern assumption is thus considered appropriate.

Costs incurred to fulfil a contract with a customer

Costs incurred to fulfil a contract are recognised as an asset if all of the following conditions are met:

- the costs relate directly to a contract;
- the costs incurred will be used in satisfying the performance obligations of the contract in the future; and
- the costs are expected to be recovered.

All other costs are expensed. No costs to fulfil a contract were recognised as an asset in 2020 and 2019.

Revenue recognition - principal versus agent

The Group is considered to act as agent in a revenue transaction when its performance obligation is to arrange for products or services to be provided by another party. A subsidiary of the Group earns insurance commission for acting as an agent on behalf of Mutual and Federal. The subsidiary ensures that the customer and Mutual and Federal conclude a contract for the provision of insurance services. As the subsidiary has no further involvement relating to the insurance contract, the Group has only recognised the commission earned by the subsidiary from Mutual and Federal.

A subsidiary of the Group also acts as agent on behalf of its customers for the provision of clearing and forwarding services. The subsidiary arranges for the clearing of customer goods through customs but assumes no risk and reward in respect of the customers' goods. The customer remains principal at all times.

Classification of share-based payment transactions

The Group classifies share-based payment transactions as equity-settled when the Group receives services as consideration for its own equity instruments. The Group classifies share-based payment transactions as cash-settled when the Group acquires services by incurring a liability to transfer cash/other assets for amounts that are based on the price of its equity instruments.

Assessment of control over investees

The Group is considered to exercise control over an entity when it has the ability to control the activities of that investee and has exposure to variable returns from the investee. Investees that are controlled by the Group are consolidated. Refer to notes 14, 27 and 30.

Key sources of estimation uncertainty include:

Depreciation of property, vehicles, plant and equipment and IT software

Property, vehicles, plant and equipment and IT software are depreciated over their estimated useful lives taking into account estimated residual values. The useful lives and residual values of the assets are assessed at each reporting period and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Useful lives are disclosed in notes 1.5 and 1.6. The effect of the change in estimate of residual values is disclosed in note 2.

Impairment of non-financial assets

Property, vehicles, plant and equipment and IT software are considered for impairment if there is an indication of impairment. The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the fair value less costs to sell the asset. The higher of these two amounts is the assets' recoverable amount which is then compared to the current carrying amount and, if lower, the assets are impaired to its recoverable amount. No items of property, vehicles, plant and equipment and IT software were impaired during the current reporting period. Refer to notes 2 and 4 for carrying amounts.

The spread of COVID-19 may have wide reaching consequences on assets that are supported by forward looking information such as goodwill.

Goodwill is attributable to the acquisition of Key Distributors Proprietary Limited (Key) during the Group's 2017 financial year. Key is a distributor and wholesaler of a variety of fast moving consumer goods into the convenience, formal and informal trade. Being a provider of essential services, this area of the business has fared particularly well.

Goodwill is tested for impairment on an annual basis. The recoverable amount of goodwill is calculated by determining its value-in-use using the discounted cash flow method. Assumptions regarding future growth in profitability, cash applied to the business and the free cash generated by the business are discounted using an appropriate risk adjusted rate.

The following key assumptions were applied:

- the latest available financial budgets were used for the first year and a growth rate of 8% was used until and including the 3rd period with 5% growth thereafter;
- a pre-tax discount rate of 18,9% (determined using the Capital Asset Pricing Model) for Key reflecting the specific risks of the cash generating unit;
- a forecast period of five years, which the directors believe is justified as it is a reasonable minimum period to expect the business (cash generating unit) to continue operating; and
- the discount rate was calculated by using a risk-free rate adjusted for risk factors.

The impairment assessments performed confirm that no impairment is required to goodwill.

Refer to note 5.

Income tax

Judgement is required in determining the recognition of income tax due to the complexity of legislation. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax amounts recognised in the reporting period in which such determination is made. Refer to note 22.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, inflation, taxation rates and competitive forces.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recognised at reporting date could be impacted. Refer to note 8 for details of unrecognised tax losses.

Measurement of expected credit losses (ECL) allowance for trade receivables

The Group assesses its trade receivables and loan receivable for impairment at each reporting date.

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The circumstances surrounding when a financial asset is considered to be in default are disclosed in note 1.7.4.

The spread of COVID-19 in South Africa and the resultant subsequent lockdown measures instituted by government were assessed as non-adjusting post-balance sheet events. Hence in calculating the ECL, the Group only took into account information that was available to it as at 29 February 2020. While it is impossible at this stage to fully quantify the effect of the lockdown on the loss allowance, there is not expected to be any significant effect as the Group has not experienced a significant increase in credit risk. Customers have generally continued to pay in accordance with agreed credit terms.

Measurement of share-based payment arrangements

Management uses the Black-Scholes-Merton pricing model to determine the value of the share options granted to employees at grant date. Additional details regarding the estimates are included in note 30 and accounting policy 1.17.

Allowance for slow moving, damaged and obsolete inventories

An allowance is recognised to write down inventories to the lower of cost or net realisable value. Management have estimated the selling price and direct cost to sell on certain inventory items. Any write-downs are included in profit or loss. No significant impairments are currently required as a result of the COVID-19 lockdown measures. Refer to note 9 for write-downs and carrying amounts.

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values for financial assets.

The Group has an established control framework with respect to the measurement of fair values.

Significant unobservable inputs and valuation adjustments are regularly reviewed. If third party information is used to measure fair values, this evidence is assessed to determine if the evidence supports the conclusion that the valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of foreign exchange contracts is determined using forward exchange rates at the end of the reporting period.

Due to the nature of the investment in the insurance cell captive, specifically the significant composition of the liquid assets and liabilities, the net asset value is seen to be the most appropriate representation of fair value. The net asset value is used as a valuation technique where the underlying assets and liabilities of the cell captive have been assessed to represent the fair value of the investment.

Refer to note 29 for details on the fair value inputs and levels.

The carrying amounts of trade receivables (after taking into account ECLs) and trade payables are assumed to be a reasonable approximation of their fair values. Refer to notes 10 and 17.

Discount rate - leases

The Group calculates a discount rate in order to determine the present value of the lease payments used to measure the lease liability, and indirectly, the right-of-use asset. The discount rate to be used in the calculations is highly subjective. The Group has determined an incremental borrowing rate for this purpose and consideration has been given to the following factors:

- the credit risk of the Group;
- the term of each of the leases;
- the amount "borrowed" by the Group; and
- the economic environment in which the Group operates.

1.2 ADOPTION OF NEW AND REVISED STANDARDS

New and amended IFRS Standards that are effective for the current year

IFRS 16: Leases is applicable for annual reporting periods commencing on or after 1 January 2019. IFRS 16 introduces a single, on-balance sheet lease accounting methodology for lessees. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the lessee has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group adopted IFRS 16 on 1 March 2019, using the full retrospective approach. Comparative information, including segment information, has therefore been restated. The standard has had a significant impact on the Group as the majority of the premises that the Group operates from have previously been accounted for as operating leases. The Group has recognised right-of-use assets and associated liabilities for its leases of premises. The nature of expenses related to those leases have now changed as the Group has recognised a depreciation charge for the right-of-use assets and an interest expense on the lease liabilities. Previously, the Group recognised operating lease expenses on a straight-line basis over the term of the leases in accordance with IAS 17.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

Actual cash outflows associated with the adoption of IFRS 16 with regard to the payment of lease obligations have not changed. Disclosure restatements have however been made and are noted in the comparative tables that follow. Capital repayments of the lease liability are now reflected as an outflow from financing activities. Interest expense on the lease liability is now reflected as finance costs under operating activities.

The Group determined that the most appropriate interest rate to use in order to discount the lease payments and associated costs would be the interest rate that the Group could obtain, based on indicative funding rates available and granted to the Group, had it funded the purchase of the leased properties. For this purpose, the Group has determined an incremental borrowing rate.

In calculating the relevant right-of-use assets and lease liabilities, the Group has taken into account the option to extend the lease where it is reasonably certain that the Group will exercise that option.

The Group has applied the following practical expedients as permitted by the standard:

- The Group has not reassessed whether a contract is, or contains, a lease at the date of initial application.
- The Group has not capitalised leases having a term of 12 months or less, or leases of low-value items, such as cell phones and printers.
- Lease and non-lease components were combined into a single lease payment.

Comparative figures have been restated as follows:

R'000	**Previously stated**	**Impact of change**	**Restated**
February 2018			
Consolidated statement of financial position			
Right-of-use assets	-	906 223	906 223
Lease liabilities	-	(981 652)	(981 652)
Current portion of lease liabilities	-	(112 555)	(112 555)
Deferred tax liability	(182 069)	52 624	(129 445)
Trade and other payables (straight-lining liability)	(379 803)	317	(379 486)
Retained income at beginning of period	(861 345)	94 516	(766 829)
Retained income at end of period	(934 283)	135 043	(799 240)

	Previously stated	**Impact of change**	**Restated**
February 2019			
Consolidated statement of comprehensive income			
Cost of sales	(1 945 020)	47 791	(1 897 229)
- Depreciation of right-of-use assets		(158 790)	
- Reversal of operating lease costs		206 581	
Other income	30 191	15 477	45 668
Finance costs	(18 508)	(90 718)	(109 226)
Taxation	(45 722)	7 675	(38 047)
Net profit for the period attributable to Owners of the Company	126 111	(19 775)	106 336
Consolidated statement of financial position			
Right-of-use assets	-	758 330	758 330
Lease liabilities	-	(837 318)	(837 318)
Current portion of lease liabilities	-	(144 334)	(144 334)
Deferred tax liability	(179 430)	60 299	(119 131)
Trade and other payables (straight-lining liability)	(380 205)	8 205	(372 000)
Retained income at beginning of period	(934 283)	135 043	(799 240)
Retained income at end of period	(954 297)	154 818	(799 479)
Consolidated statement of cashflows			
Cash generated by operations after changes in working capital	322 438	214 170	536 608
Finance costs	(18 508)	(90 718)	(109 226)
Repayment of lease liabilities	-	(123 452)	(123 452)
Earnings per ordinary share (cents)			
Basic	86,8	(13,6)	73,2
Headline	89,2	(13,6)	75,6
Diluted basic	83,7	(13,1)	70,6
Diluted headline	86,0	(13,1)	72,9
Net asset value per share (cents)	624,8	(107,9)	516,9

Disclosures regarding right-of-use assets and lease liabilities can be found in note 3 and 16. Note 1.12 contains further details of the accounting policy for IFRS 16.

1.3 BASIS OF CONSOLIDATION

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

There were no business combinations in 2020 and 2019.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Non-controlling interests (NCI)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in an associate and a joint venture.

Associates are those entities in which the Group has significant influence over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement in which the Group has joint control over an entity, whereby the Group has rights to the net assets of the jointly controlled entity.

Interests in the associate and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 FOREIGN CURRENCY

In preparing the consolidated financial statements of the individual companies, transactions in currencies other than the Group's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions.

Exchange differences are recognised in profit or loss in the period in which they arise.

1.5 PROPERTY, VEHICLES, PLANT AND EQUIPMENT

Property, vehicles, plant and equipment are tangible assets which the Group holds for supply of services, for rental to others and for administrative purposes.

Property, vehicles, plant and equipment are initially recognised at cost.

Costs include costs incurred initially to acquire or construct an item of property, vehicles, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, vehicles, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, vehicles, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, vehicles, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, vehicles, plant and equipment.

Any gain or loss on disposal of an item of property, vehicles plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write off the cost of items of property, vehicles, plant and equipment over their estimated useful lives to their estimated residual values using the straight-line method and is recognised in profit or loss.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

The estimated useful lives of property, vehicles, plant and equipment for current and comparative periods are as follows:

Land	non-depreciable asset
Buildings	50 years
Plant and equipment	5 to 20 years
Office furniture and equipment	6 to 15 years
Motor vehicles and accessories	5 to 16 years
Computer equipment	3 to 5 years
Leasehold improvements	5 to 10 years
Forklifts	6 to 10 years

The useful lives and residual values are assessed at each reporting period. Any changes are accounted for prospectively as a change in accounting estimate.

Assets which the Group holds for rentals to others and subsequently routinely sells as part of the ordinary course of activities, are transferred to inventories when the rental periods end and the assets are available for sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities.

1.6 INTANGIBLE ASSETS AND GOODWILL

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Other intangible assets, such as IT software, that are acquired by the Group and have finite useful lives are initially recognised at cost and subsequently at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised to intangible assets only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets to their estimated residual values using the straight-line method and is recognised in profit or loss.

Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

IT software	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Any changes are accounted for prospectively as a change in accounting estimate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.7 FINANCIAL INSTRUMENTS

1.7.1 RECOGNITION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except for trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.7.2 CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Classification

On initial recognition, a financial asset is classified as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) - debt instrument, FVOCI - equity instrument or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as subsequently measured at amortised cost are measured at FVTPL. This includes all derivative financial assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial liabilities are classified as subsequently measured at amortised cost.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income and expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts, excluding expected credit losses, through the expected life of the financial instrument, or where appropriate a shorter period, to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

The amortised cost of a financial instrument is the amount at which the financial instrument is measured at initial recognition minus the principal repayments or receipts, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance on financial assets.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial instruments measured subsequently at amortised cost and at FVOCI.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash. In making this assessment, the Group considers prepayment and extension features.

A prepayment feature is consistent with the sole payments of principal and interest criteria if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

An extension feature is also regarded as being solely payments of principal and interest, provided during the term of the extension, the contractual cash flows are solely payments of principal and interest and the extension is not contingent on future events. The extension of the loan receivable results in contractual cash flows that are solely payments of principal and interest.

Subsequent measurement and gains and losses

Financial assets at FVTPL are subsequently measured at fair value. These include forward exchange contracts and an investment in insurance cell captive. Net gains or losses are recognised in profit or loss. The net gain or loss recognised includes dividends received from the investment in insurance cell captive. Fair value is determined in the manner described in note 29.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest and impairment losses are recognised in profit or loss. Any derecognition gain or loss is recognised in profit or loss. These include trade and loan receivables.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. These include trade and other payables, lease liabilities and borrowings at amortised cost.

ACCOUNTING POLICIES (Continued)

1.7.3 DERECOGNITION

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.7.4 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The amount of ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the "simplified approach" and recognises lifetime ECLs for trade receivables. The ECL on these financial assets are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For all other financial assets, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the 12 month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and forward-looking information.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset is determined to have low credit risk if:

- The financial asset has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has an internal rating of 'Grade A: low risk'. Grade A: low risk means that the counterparty has a strong financial position and there is no past due amounts. These include the loan receivable and certain trade receivable balances.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Based on historical patterns, the Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, evidenced by:

- the borrower not fulfilling its commitments in terms of its agreed upon terms and conditions either in relation to its initial contract or its subsequent payment arrangement with the Group;
- the borrower not responding to the Group's letters of demand for payment; and
- outstanding amounts subsequently handed over to legal.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The Group recognises an impairment in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

There is no effect of discounting on the ECL due to the short term nature of trade receivables.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof after exhausting all avenues of recovery. The Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off.

1.7.5 OFFSETTING

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.7.6 DERIVATIVE FINANCIAL INSTRUMENTS

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Any reference to hedging in these consolidated financial statements relates to an economic hedge. The Group does not apply hedge accounting.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

1.7.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and deposits held on call with banks.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

1.8 INVENTORIES

Inventories include, merchandise for sale, forklifts, fuel and maintenance spares, and vehicles and forklifts which previously formed part of the rental fleet.

Inventories are stated at the lower of cost and net realisable value.

Cost comprises all costs of purchase and, where applicable, those other costs that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the weighted average cost method for merchandise for sale, FIFO for fuel and maintenance spares and the specific identification basis for forklifts and vehicles.

Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

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

Vehicles that are held for rental to others and are routinely sold, are transferred to inventory at their carrying amount when they cease to be rented and become held for sale. Subsequent to being transferred depreciation ceases and these assets are measured at the lower of their carrying amount or net realisable value.

1.9 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management are committed to the sale which is expected to qualify for recognition as a completed sale within one year from the date of classification.

Once classified as held for sale, these assets are no longer depreciated.

Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

1.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 SHARE CAPITAL

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Ordinary shares

Ordinary shares and 'A' Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of such shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12: Income Taxes.

Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

1.12 LEASES

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, the Group determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the lessor does not have a substantial right of substitution throughout the period of use. Once the Group has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset, throughout the period of use.

Group as lessee

The majority of the premises that the Group operates from are leased. A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The Group has elected not to separate non-lease components, these are combined with lease components into a single lease payment.

Details of leasing arrangements where the Group is a lessee are presented in note 3 and 16.

Lease liabilities

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed lease payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liabilities are initially measured at the present value of the lease payments, discounted at the incremental borrowing rate, based on indicative funding rates available to the Group.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities, using the effective interest method and by reducing the carrying amount to reflect lease payments made. Interest charged on lease liabilities is included in finance costs.

The Group remeasures the lease liabilities, when applicable, as follows:

Lease liability remeasurement scenario	*Lease liability remeasurement methodology*
Change to the lease term.	- discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	- discounting the revised lease payments using the initial discount rate
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	- discounting the revised payments using a revised discount rate.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group did not make any such adjustments during the periods presented.

The lease liabilities are presented as a separate line item on the consolidated statement of financial position.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, vehicles, plant and equipment’ policy.

Right-of-use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation starts at the commencement date of a lease. The depreciation charge for each year is recognised in profit or loss.

Right-of-use assets are presented as a separate line item on the consolidated statement of financial position.

Group as lessor

The Group enters into lease arrangements with customers over its forklifts and certain vehicles as the lessor. These leases are subject to minimum periods varying between two and five years.

The Group also sub-lets warehouse space to customers. The terms of these lease agreements range from two to four years.

The leases detailed above do not transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased assets and are therefore treated as lease income.

Lease income received under leases is recognised on a straight-line basis over the rental period of the lease, based on the agreed upon applicable rates per day.

1.13 INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1.14 REVENUE

Revenue is income arising in the course of the Group's ordinary activities.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group's products and services include the following streams:

- sale of merchandise, rental assets and forklifts;
- transport and distribution;
- clearing and forwarding;
- warehousing;
- insurance commissions;
- forklift and commercial vehicle service and repairs; and
- forklift and commercial vehicle rental.

The following table provides information about the nature and timing of the satisfaction of performance obligations (POs) in contracts with customers, including significant payment terms, and the related revenue recognition policies.

ACCOUNTING POLICIES (Continued)

Type of product or service	Nature and timing of satisfaction of POs, including significant payment terms	Revenue recognition
Sale of merchandise, rental assets and forklifts	Customers obtain control of these products when the goods are delivered to and have been accepted by the customer. Invoices are generated at that point in time. Invoices are usually payable COD or within 30 days of statement date. No discounts are allowed. There are no warranties. Customers have no right of return.	Revenue is recognised when the goods are delivered and have been accepted by customers at their or our premises.
Transport and distribution	Transport and distribution services are typically contracted through the issue of waybills which establish the performance obligations. Services are typically short term in nature, highly interrelated and accounted for as a single performance obligation. Invoices are generated from waybills and issued once the services have been undertaken and are usually payable within 30 days of statement date.	Revenue is recognised over time as customers' products are being transported to the required destination, based on the distance covered at the date of cut-off as a proportion of the total distance to the destination.
Clearing and forwarding - acting as an agent	Invoices for clearing and forwarding services are based on a percentage of costs incurred with customers. Invoices for shipments are billed once the goods are cleared through customs, which is generally between 3-5 days before the vessel arrives at its destination. Invoices for airfreight services are billed once the goods are delivered. Invoices are payable within 7 to 30 days of statement date, depending on the payment terms of the specific customer.	The Group's performance obligation is to arrange for the movement, by third parties, of the customers goods, including the clearing of the goods through customs. Revenue should be recognised over time, but limited to cost until it can be estimated reliably.
Warehousing	Invoices for warehousing services are issued on a monthly basis and are usually payable 7 to 30 days of statement date.	Revenue is recognised over time as the services are provided. The progress measure for determining the amount of revenue to recognise is assessed based on the period that the relevant space is occupied.
Insurance commissions – acting as an agent	A subsidiary of the Group earns commission in exchange for acting as an intermediary on behalf of Mutual and Federal to provide insurance to the Group's customers. The subsidiary is responsible for ensuring that the customer and Mutual and Federal conclude a contract where required. The subsidiary is only required to 'broker' the relationship between the customer and Mutual and Federal, and has no further involvement relating to the insurance contract. Invoices are issued on a monthly basis and are usually payable within 15 days of statement date.	Revenue, in the form of commission, is recognised at a point in time when an insurance contract has been completed between an insurer and a customer.
Forklift and commercial vehicle service and repairs	Invoices for services and repairs are issued on completion and are usually payable within 30 days of statement date.	Revenue is recognised over time as the services are provided. The progress measure for determining the amount of revenue to recognise is assessed based on the level of completion of the service and repair provided to the customer.
Forklift and commercial vehicle rental	Invoices for vehicle rentals are issued on a monthly basis and are usually payable within 30 days of statement date.	Revenue is recognised over time i.e. over the rental period based on the agreed upon applicable rates per day. Kilometres travelled are determined on a monthly basis.

1.15 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

There were no qualifying assets and borrowing costs capitalised. All borrowing costs were expensed.

1.16 FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include:

- interest income; and
- interest expense;

Interest income or expense is recognised using the effective interest method as described in note 1.7.2.

1.17 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised in profit or loss as the related service is provided.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions.

Fair value is determined using the Black-Scholes-Merton pricing model. The expected life used in this model is adjusted for the effects of non-transferability, exercise restrictions and behavioural considerations.

The revision of original estimates, including forfeitures, if any, are recognised in profit or loss, with a corresponding adjustment to equity at each reporting date.

1.18 OPERATING PROFIT

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

1.19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The Group measures financial instruments, such as forward exchange contracts and the investment in the insurance cell captive, at fair value at each reporting date.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.20 NEW STANDARDS AND INTERPRETATIONS

The following standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements:

Standard	**Details of amendment**	**Effective for annual periods beginning on or after**
IFRS 3 *Business Combinations*	Definition of a Business: The amendments: • confirmed that a business must include inputs and a process, and clarified that: o the process must be substantive; and o the inputs and process must together significantly contribute to creating outputs. • narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and • added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The Group expects to adopt the interpretation for the first time in the 2021 consolidated financial statements.	1 January 2020
IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The Group expects to adopt the interpretations for the first time in the 2021 consolidated financial statements.	1 January 2020
IAS 1 *Presentation of Financial Statements*	Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The Group expects to adopt the interpretations for the first time in the 2023 consolidated financial statements.	1 January 2022
Conceptual Framework	The IASB has issued *Amendments to References to the Conceptual Framework in IFRS Standards.* The application of these amendments will be effective for the 2021 consolidated financial statements.	1 January 2020

R'000	Cost	Accumulated depreciation	Carrying amount	Opening carrying amount
2 PROPERTY,VEHICLES,PLANT AND EQUIPMENT				
2020				
Owned Assets				
Land	**5 033**	**-**	**5 033**	**5 033**
Buildings	**34 689**	**(3 023)**	**31 666**	**31 748**
Plant and equipment	**166 274**	**(90 419)**	**75 855**	**81 104**
Motor vehicles and accessories	**940 879**	**(322 417)**	**618 462**	**617 545**
Motor vehicles subject to leases	**43 405**	**(10 135)**	**33 270**	**34 681**
Office furniture and equipment	**31 647**	**(28 262)**	**3 385**	**4 349**
Computer equipment	**98 200**	**(85 695)**	**12 505**	**11 233**
Forklifts	**181 711**	**(83 153)**	**98 558**	**91 044**
Forklifts subject to leases	**181 884**	**(69 497)**	**112 387**	**121 933**
Leasehold improvements	**21 495**	**(18 820)**	**2 675**	**4 561**
	1 705 217	**(711 421)**	**993 796**	**1 003 231**
Capitalised finance lease				
Computer equipment	**10 941**	**(10 941)**	**-**	**-**
Total	**1 716 158**	**(722 362)**	**993 796**	**1 003 231**
2019				
Owned Assets				
Land	5 033	-	5 033	5 033
Buildings	34 689	(2 941)	31 748	32 216
Plant and equipment	161 398	(80 294)	81 104	86 170
Motor vehicles and accessories	949 757	(332 212)	617 545	589 783
Motor vehicles subject to leases	44 045	(9 364)	34 681	27 905
Office furniture and equipment	31 857	(27 508)	4 349	5 593
Computer equipment	93 033	(81 800)	11 233	15 227
Forklifts	162 612	(71 568)	91 044	91 098
Forklifts subject to leases	179 650	(57 717)	121 933	147 643
Leasehold improvements	21 509	(16 948)	4 561	4 235
	1 683 583	(680 352)	1 003 231	1 004 903
Capitalised finance lease				
Computer equipment	10 941	(10 941)	-	-
Total	1 694 524	(691 293)	1 003 231	1 004 903

Depreciation increased by R2 311 000 in the current year (2019: decreased by R1 577 000) due to a change in the estimated residual values of certain asset categories.

There are guarantee facilities of R45 million (2019: R41 million), of which R40 million is secured by a general notarial bond over unencumbered movable assets (vehicles, plant and equipment) to the value of R40 million (2019: R 40 million)

A subsidiary of the Group has combined asset based funding facilities of R343,4 million (2019: R310,7 million) of which R186,1 million (2019: R163,4 million) was available at year end. To the extent utilised, these facilities are secured by vehicles and forklifts having a carrying value of R191 302 000 (2019: R205 511 000).

Loan funding facilities of R35,4 million, granted to a subsidiary of the Group is secured by a mortgage bond over the Mahogany Ridge Property.

Additions	Transfers	Transfers to inventory and non-current assets held for sale	Disposals	Depreciation	Closing carrying amount
-	**-**	**-**	**-**	**-**	**5 033**
-	**-**	**-**	**-**	**(82)**	**31 666**
7 050	**(366)**	**-**	**(23)**	**(11 910)**	**75 855**
112 362	**8**	**(57 212)**	**(4 510)**	**(49 731)**	**618 462**
4 734		**(3 026)**	**(197)**	**(2 922)**	**33 270**
1 131	**5**	**-**	**(55)**	**(2 045)**	**3 385**
7 802	**(4)**	**-**	**(61)**	**(6 465)**	**12 505**
16 235	**357**	**3 192**	**27**	**(12 297)**	**98 558**
8 336	**-**	**(4 184)**	**(87)**	**(13 611)**	**112 387**
-	**-**	**-**	**-**	**(1 886)**	**2 675**
157 650	**-**	**(61 230)**	**(4 906)**	**(100 949)**	**993 796**
-	**-**	**-**	**-**	**-**	**-**
157 650	**-**	**(61 230)**	**(4 906)**	**(100 949)**	**993 796**
-	-	-	-	-	5 033
-	-	-	(370)	(98)	31 748
6 455	(16)	-	(231)	(11 274)	81 104
109 241	-	(33 187)	(4 589)	(43 703)	617 545
11 024	-	(1 122)	(680)	(2 446)	34 681
1 319	(3)	-	(84)	(2 476)	4 349
4 189	2	-	(58)	(8 127)	11 233
4 300	-	8 881	(325)	(12 910)	91 044
2 368	-	(13 918)	(286)	(13 874)	121 933
1 956	-	-	-	(1 630)	4 561
140 852	(17)	(39 346)	(6 623)	(96 538)	1 003 231
-	-	-	-	-	-
140 852	(17)	(39 346)	(6 623)	(96 538)	1 003 231

R'000	2020	2019
3 RIGHT-OF-USE ASSETS		

The Group primarily leases warehouses and office buildings. Lease agreements are structured as triple net leases, meaning that the Group is responsible for the payment of all rates and taxes, municipal fees and incidental costs in relation to leased properties.

Escalations on these leases vary from 6% to 8%. The leases range in term from 2 to 12 years.

Expenses in relation to short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

This is the Group's first year of recognising right-of-use assets. For details on the retrospective restatement due to the initial application of IFRS 16, refer to note 1.2.

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

R'000	2020	2019
Buildings		
- Cost	**1 288 580**	1 381 961
- Accumulated depreciation	**(679 934)**	(623 631)
	608 646	758 330
Carrying amount at beginning of the year	**758 330**	906 223
- Additions	**12 490**	10 897
- Depreciation	**(162 174)**	(158 790)
Carrying amount at end of the year	**608 646**	758 330
Other disclosures		
Interest expense on lease liabilities	**76 128**	90 718
Expenses on short tem leases included in operating expenses	**7 894**	2 529
Leases of low value assets included in operating expenses	**721**	847
Income from sub-leasing right-of-use assets	**11 697**	18 597
Total cash outflow from leases	**224 314**	214 170

Further details on the lease liabilities can be found in note 16.

R'000	2020	2019
4 INTANGIBLE ASSETS		
Acquired IT software		
– Cost	**115 873**	108 664
– Accumulated amortisation	**(102 345)**	(97 683)
	13 528	10 981
Acquired IT software		
Carrying amount at beginning of the year	**10 981**	10 603
– Additions at cost	**7 728**	5 072
– Scrapping at cost	**(519)**	(69)
– Scrapping accumulated amortisation	**519**	43
– Transfers	**-**	17
– Current amortisation - included in operating expenses	**(5 181)**	(4 685)
Carrying amount at end of the year	**13 528**	10 981

Since 2010, the Group has implemented the financial, workshop, truck rental, linehaul and material handling equipment rental modules of Embrace software. The carrying amount of this software is R1 723 000 (2019: R1 650 000). The Group has also capitalised development costs for its various software. The carrying amount of this is R6 418 000 (2019: R5 406 000).

The maximum remaining amortisation period of these software, application, upgrades and enhancements is five years (2019 – 5 years).

R'000		2020	2019
5	**GOODWILL**		
	Key Distributors Proprietary Limited - cost	**16 561**	16 561
	The Group performs an annual test for impairment of the cash generating unit to which goodwill is attributed or more frequently if there are indications that goodwill might be impaired. The cash generating unit for the purposes of the impairment test was determined to be the entire company as a whole. Refer to note 1.1 Impairment of non-financial assets for the details of the judgements and assumptions applied. Management's forecasts have been conservative in order to account for the possible negative effects of COVID-19. The Group has conducted a sensitivity analysis by changing key assumptions to simulate various possible scenarios. Management is satisfied that these changes would not cause an impairment of goodwill.		
6	**LOAN RECEIVABLE**		
	SKR Marketing CC	**2 636**	3 001
	This loan is interest free. The loan has been discounted to present value to account for the financing element. Interest is accounted for at the prime bank overdraft rate at the time each advance was made. As the loan was advanced as a social development initiative, an extension of payment terms to 31 March 2022 was granted (2019: loan repayable by 31 March 2020). The entity is a related party, as disclosed in note 27. Had interest been charged at the prime bank overdraft rate, interest would have amounted to R344 000 in the current year (2019: R184 000). The loan is measured at amortised cost. As the loan balance is immaterial, the effect of discounting is also immaterial. The fair value of the loan approximates the carrying amount. For the purposes of impairment assessment, the loan is considered to have a low credit risk as the members of the close corporation have bound themselves jointly and severally as surety and co-principal debtors for the loan. There have been no defaults in the past. In determining the possible ECL for this loan, the directors of the Group have taken into account the immateriality of the outstanding balance, historical default experience, the financial position of the counterparty, as well as securities obtained. Accordingly, for these reasons, no ECL has been provided. The maximum exposure to credit risk is the carrying amount of the loan shown above.		

R'000	2020	2019
7 EQUITY-ACCOUNTED INVESTEES		
Interest in associate	**-**	-
Interest in joint venture	**63**	77
	63	77
Interest in associate		
Value SA Proprietary Limited		
Shares at cost, representing a 30% interest	*****	*
Share of retained income	**-**	-
– Balance at beginning of the year	**-**	201
– Group's share of net loss after tax	**-**	(15)
– Dividend received	**-**	(186)
	-	-

Value SA Proprietary Limited was involved in the business of procuring maintenance, transport, forklift hire, warehousing services, car rental and other transport, distribution and logistics related contracts from national government, provincial governments and parastatals. The principal place of business was South Africa. The company ceased to trade effective 1 May 2018 due to the termination of a significant customer contract.

	2020	2019
Interest in joint venture		
Value Logistics (Hong Kong) Co. Limited		
Shares at cost, representing a 50% interest	**45**	45
Share of retained income	**18**	32
– Balance at beginning of the year	**32**	134
– Group's share of net (loss)/profit after tax	**(14)**	2
– Dividend received	**-**	(104)
	63	77

The principal place of business is China. Control of the joint venture is governed by contractual arrangements which require unanimous consent of decisions governing the operations of the venture.

Directors' valuation of unlisted investments R63 000 (2019: R77 000).

The separate financial statements of these entities are not material to the Group.

*Nominal amount

R'000		2020	2019
8	**DEFERRED TAX**		
	Balance at beginning of the year	**113 766**	124 395
	Temporary differences	**(6 265)**	(10 467)
	Prior year underprovision	**-**	(162)
	Balance at the end of the year	**107 501**	113 766
	Analysis of significant temporary differences:		
	Accelerated allowances on property, vehicles, plant and equipment	**200 736**	203 082
	Lease liabilities	**(236 983)**	(275 040)
	Right-of-use assets	**170 484**	212 441
	Future rental income	**54**	186
	Loss allowance on trade receivables	**(3 379)**	(5 350)
	Accruals	**(21 853)**	(20 562)
	Fair value adjustments	**(219)**	(117)
	Income received in advance	**(1 339)**	(874)
		107 501	113 766
	Comprising:		
	Deferred tax liability	**113 312**	119 131
	Deferred tax asset	**(5 811)**	(5 365)
	Balance at end of year	**107 501**	113 766
	The amount of tax losses and other temporary differences for which no deferred tax asset was recognised amounts to R5 154 000 (2019: R7 347 000).		
9	**INVENTORIES**		
	Maintenance spares	**15 403**	9 234
	- Cost maintenance spares	**22 265**	15 748
	- Accumulated impairment	**(6 862)**	(6 514)
	Forklifts	**10 009**	1 728
	Fuel	**4 857**	6 357
	Rental vehicles held-for-sale	**21 578**	14 216
	– Opening carrying amount	**14 216**	3 131
	– Impairments	**(3 058)**	(1 312)
	– Transfer from property, vehicles, plant and equipment	**56 267**	31 542
	– Disposals	**(45 847)**	(19 145)
	Rental forklifts held-for-sale	**5 140**	9 693
	– Opening carrying amount	**9 693**	7 387
	– Impairments	**(3 714)**	-
	– Transfer from property, vehicles, plant and equipment	**992**	5 037
	– Disposals	**(1 831)**	(2 731)
	Merchandise for sale	**50 820**	62 229
		107 807	103 457
	Inventories recognised in cost of sales as an expense during the year:	**888 401**	866 671
	Carrying value of inventories carried at net realisable value:	**15 792**	6 215
	None of the inventory items reflected above have been pledged as security		

R'000	**2020**	2019
10 TRADE AND OTHER RECEIVABLES		
Gross trade receivables	**328 115**	311 631
Loss allowance	**(19 781)**	(15 975)
Trade receivables at amortised cost	**308 334**	295 656
VAT receivable	**1 487**	829
Other receivables	**11 363**	16 625
	321 184	313 110
Trade receivables by customer segment:		
Manufacturing customers	**116 730**	116 899
Wholesale customers	**82 209**	91 356
Retail customers	**72 144**	59 909
Service industry customers	**27 926**	15 312
Other	**9 325**	12 180
	308 334	295 656

Trade receivables by risk profile

2020	**Not credit impaired**	**Credit Impaired**	**Total**
Grade - A: low risk	**37 034**	**-**	**37 034**
Grade - B: low to medium risk	**172 102**	**66**	**172 168**
Grade - C: medium risk	**84 433**	**365**	**84 798**
Grade - D: medium to high risk	**15 138**	**842**	**15 980**
Grade - E: high risk	**5 767**	**12 368**	**18 153**
Gross carrying amount	**314 474**	**13 641**	**328 115**
Loss allowance	**(7 038)**	**(12 743)**	**(19 781)**
	307 436	**898**	**308 334**

2019	Not credit impaired	Credit impaired	Total
Grade - A: low risk	36 570	-	36 570
Grade - B: low to medium risk	175 968	446	176 414
Grade - C: medium risk	56 477	298	56 775
Grade - D: medium to high risk	24 720	3 871	28 591
Grade - E: high risk	3 800	9 481	13 281
Gross carrying amount	297 535	14 096	311 631
Loss allowance	(4 233)	(11 742)	(15 975)
	293 302	2 354	295 656

The average credit period on sales of goods and services is 30 days. No interest is charged on outstanding trade receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Due to its short term nature and the fact that a loss allowance has already been provided for on trade receivables, the carrying amount disclosed above approximates the fair value.

Trade and other receivables pledged as security

Trade receivables of R315 735 000 (2019: R278 722 000) have been ceded to Rand Merchant Bank, a division of First Rand Limited as security for banking facilities granted. Refer to note 29.

R'000

10 TRADE AND OTHER RECEIVABLES (Continued)

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

The customer base is large and diverse with the result that there is no specific significant concentration of credit risk.

In order to mitigate the risk of financial loss from defaults, the Group generally enters into credit agreements with larger companies which have a sound credit standing. External credit ratings are obtained through the use of credit vetting agency and/or by obtaining references from customer's existing suppliers. Customer specific credit limits are in place and are approved and reviewed by management on an ongoing basis taking into account any changes in risk profile.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is assessed at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The Group measures the loss allowance by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime ECL on trade receivables. This lifetime ECL is estimated by making use of past default experience of debtors but also incorporates forward looking information, in the form of macroeconomic forecasts which include probability weighted average economic forecasts and scenarios as at the reporting date. The ECL calculated does not include the specific impairment of the "prescribed legal book". This book is a separate sub-section of the receivables age analysis and relates to amounts owing from very old transactions, which have been fully impaired.

The spread of COVID-19 in South Africa and the resultant subsequent lockdown measures instituted by government were assessed as non-adjusting post-balance sheet events. Hence in calculating the ECL, the Group only took into account information that was available to it as at 29 February 2020.

Subsequent to year end, the Group has not experienced any significant increase in credit risk despite the impact of the lockdown measures as customers have generally continued to pay in accordance with agreed credit terms.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off are subject to enforcement activities.

The Group does not generally hold collateral against trade receivables, however in the previous year an exception was made on the take-on of a new customer of a significantly large account. The Group held collateral, in the form of a bank guarantee, to the value of R11 million for this customer. The bank guarantee expires on 29 June 2020.

Furthermore, in the current year the Group decided to take-on another new customer of a significantly large account. The Group held collateral, in the form of a bank guarantee, to the value of R5 million for this customer. The bank guarantee expires on 3 months written notice.

The collateral held are of a high quality, issued by well-known banking institutions registered in South Africa.

Expected credit losses:

The following table details the risk profile of trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for the loss allowance does not further distinguish between the Group's different customer base.

2020	Gross carrying amount	ECL allowance	Credit impaired loss allowance	Net carrying amount	Weighted-average loss rate
Current	257 583	(1 211)	(54)	256 318	0,49%
1-30 days	41 068	(2 301)	(58)	38 709	5,74%
31-60 days	5 283	(654)	(94)	4 535	14,16%
More than 60 days	24 181	(2 872)	(12 537)	8 772	63,72%
	328 115	(7 038)	(12 743)	308 334	6,03%

R'000

10 TRADE AND OTHER RECEIVABLES (Continued)

2019	Gross carrying amount	ECL allowance	Credit impaired loss allowance	Net carrying amount	Weighted-average loss rate
Current	237 303	(1 099)	(74)	236 130	0,49%
1-30 days	44 053	(603)	(52)	43 398	1,49%
31-60 days	7 994	(550)	(59)	7 385	7,62%
More than 60 days	22 281	(1 981)	(11 557)	8 743	60,76%
	311 631	(4 233)	(11 742)	295 656	5,13%

Reconciliation of trade receivables loss allowance:
The movement in the trade receivables loss allowance is presented below:

	ECL allowance	Credit impaired loss allowance	2020	2019
Opening balance	**4 233**	**11 742**	**15 975**	18 387
Movement in loss allowance	**2 805**	**1 001**	**3 806**	(2 412)
- Increase/(decrease) in loss allowance	**2 805**	**5 934**	**8 739**	(153)
- Amounts written-off as uncollectable	**-**	**(4 933)**	**(4 933)**	(2 259)
	7 038	**12 743**	**19 781**	15 975

The Group's loss allowance has increased year on year by 24% despite an increase of 5% in gross trade receivables. The general decline in economic outlook has contributed towards an 18% increase in the weighted average loss rate of 6,03%, with the 1-30 day band increasing by 285% to 5,74% despite a marginal year on year reduction in gross carrying amount.

11 OTHER FINANCIAL ASSETS

	2020	2019
Mark to market of foreign exchange contacts	**762**	-
Investment in insurance cell captive	**5 116**	6 140
- Opening fair value	**6 140**	8 765
- Fair value adjustment	**(1 024)**	(2 625)

Other financial assets are stated at fair value.

Investment in insurance cell captive (unconsolidated structured entity)
The investment in the insurance cell captive relates to a preference share investment in an insurance operation with Mutual and Federal in which a subsidiary of the Group holds a 99% economic interest. The subsidiary also acts as an agent for the cell, in return for which it earns insurance commission. The cell insures the Group's activities and is also used for customer insurance.

As the assets of the insurance cell captive are not legally ring-fenced, the cell captive does not meet the definition of a deemed separate entity in terms of IFRS 10: Consolidated Financial Statements. The Group has therefore not consolidated its investment in insurance cell captive.

The investment has been classified as a financial asset measured at FVTPL as it is managed on a fair value basis, so as to maximise the Group's total return from dividends and changes in the fair value of this investment.

The maximum exposure to loss is the fair value of the cell captive as reflected above. Additional information on the credit risk and determination of fair value of the cell can be found in note 29.

R'000	2020	2019
11 OTHER FINANCIAL ASSETS (Continued)		
During the financial year, the Group recognised the following gains and losses in profit and loss from its interest in the insurance cell captive:		
- Fair value adjustment	**(1 024)**	(2 625)
- Other income - dividends received	**-**	5 002
- Insurance commission earned	**1 519**	2 053
Total income	**495**	4 430
12 CASH AND CASH EQUIVALENTS		
Cash on hand	**579**	569
Bank balances	**261 994**	175 375
	262 573	175 944

Cash and cash equivalents are classified as financial assets at amortised cost. The maximum exposure to credit risk at the reporting date is the carrying amount.
The Group only deposits with major banks with high quality credit standing assigned by internationally recognised credit rating agencies. For this reason the credit quality at year-end of cash and cash equivalents are considered to be high.

Due to its short-term nature, the carrying amount reported above approximates the fair value of cash and cash equivalents.

R'000	2020	2019
13 NON-CURRENT ASSETS HELD FOR SALE		
Motor vehicles and accessories	**201**	797
Carrying amount at beginning of the year	**797**	116
– Transfers from property, vehicles, plant and equipment	**3 971**	2 767
– Disposals	**(4 567)**	(2 086)
Carrying amount at end of the year	**201**	797

Non-current assets held for sale consist of vehicles that were previously used by the Group in the normal course of business.

Vehicles are sold when the maximum potential economic benefits have been utilised. In line with the Group's replacement policy, motor vehicles which need to be replaced are identified and disposed of within 12 months.

Non-current assets held for sale form part of the Head office and other segment.

R'000	2020	2019
14 SHARE CAPITAL AND PREMIUM		
Authorised share capital		
500 000 000 ordinary shares of 0,1 cent each	**500**	500
10 429 010 A ordinary shares of 0,1 cent each	**10**	10
Issued share capital		
172 635 000 ordinary shares of 0,1 cent each	**173**	173
10 429 010 A ordinary shares of 0,1 cent each	**10**	10
Share premium	**10 643**	10 643
	10 826	10 826
Special rights relating to A ordinary shares		
The A ordinary shares rank pari passu with the ordinary shares in respect of voting rights, but do not participate in distributions by the Company to its shareholders until converted into ordinary shares. The A ordinary shares are unlisted, and will automatically convert into ordinary shares on a one-for-one basis on the twelfth anniversary of the BBBEE scheme effective date, subject to repurchase rights held by the Company.		
Number of shares		
Movement in issued ordinary shares		
Number of shares in issue at the beginning of the period	**172 635 000**	186 427 478
Shares cancelled	**-**	(13 792 478)
Number of shares in issue at the end of the period	**172 635 000**	172 635 000
Treasury Shares		
Ordinary shares		
Shares held by other entities		
Diplobuzz Investments (RF) Proprietary Limited	**6 257 406**	6 257 406
Opsiweb Investments (RF) Proprietary Limited	**14 600 614**	14 600 614
The Value Group Share Incentive Trust	**1 012 136**	1 393 204
- Opening balance	**1 393 204**	1 774 272
- Disposed during the year	**(381 068)**	(381 068)
Shares held by subsidiary company (Treasury shares)		
Value Logistics Limited	**9 387 702**	7 019 596
- Opening balance	**7 019 596**	13 492 207
- Acquired during the year	**2 368 106**	7 319 867
- Shares cancelled by holding company	**-**	(13 792 478)
	31 257 858	29 270 820
Average price paid for repurchased equity securities (Rands)	**5,56**	4,69
A Ordinary Shares		
Shares held by other entities (BBBEE shares)		
The Value Group Empowerment Trust	**10 429 010**	10 429 010

Subsequent to year end an additional 2 607 588 shares were acquired by Value Logistics Limited at a cost of R10,9 million.

R'000	**2020**	2019
15 INTEREST-BEARING BORROWINGS		
Instalment sales agreements	**157 339**	147 274
Liabilities under instalment sale agreements, which bear interest at rates varying between the prime bank overdraft rate and 1,5% below the prime bank overdraft rate (2019: rates varying between 0,75% below the prime bank overdraft rate and 1,5% below the prime bank overdraft rate). The instalment sales agreements are repayable in monthly instalments of R5 243 000 (2019: R6 965 000) and are secured by vehicles and forklifts having a carrying value of R191 302 000 (2019: R205 511 000) as included in note 2.		
Mortgage bond	**31 394**	35 420
Loan secured by a mortgage bond over property having a carrying value of R28 834 000 (2019: R28 900 000). The loan, which is repayable in monthly instalments, bears interest at the prime bank overdraft rate less 1% and is repayable by May 2021. Interest payments for the year totalled R3 028 000 and capital repayments for the year totalled of R4 241 000 (2019: interest payments for the year totalled R3 438 000 and capital repayments for the year totalled R3 461 000).		
	188 733	182 694
Non-current portion of interest-bearing borrowings	**135 963**	125 475
Current portion of interest-bearing borrowings	**52 770**	57 219
	188 733	182 694
The Company and its subsidiaries have unlimited borrowing powers in terms of their Memoranda of Incorporation. Interest-bearing borrowings are stated at amortised cost. As interest-bearing borrowings are carried at market-related rates, the fair value approximates the carrying amount.		
16 LEASE LIABILITIES		
Leases of warehouses and office buildings		
Non-current portion	**656 513**	837 318
Current portion	**189 444**	144 334
	845 957	981 652
Maturity analysis		
Undiscounted contractual cashflows:		
Payable within one year	**188 208**	224 314
Payable within two to five years	**685 640**	719 316
Payable thereafter	**110 465**	264 997
	984 313	1 208 627
Estimated commitments regarding leases not yet commenced are disclosed in note 26.2.		
The Group's obligations under lease liabilities are secured by the lessor's charge over the leased assets. Refer to note 3 for further information on the right-of-use assets.		
17 TRADE AND OTHER PAYABLES		
Trade payables	**254 247**	237 830
VAT payable	**18 695**	19 235
Other payables	**75 634**	64 105
Accruals	**43 077**	50 830
	391 653	372 000

Trade and other payables are measured at amortised cost. Other payables consist of payroll liabilities, claims, rates and taxes payable in the ordinary course of business.

Due to the short term nature of trade and other payables, the carrying amount approximates the fair value.

R'000	2020	2019
18 REVENUE		
Services rendered	**2 142 776**	2 075 389
Sale of goods	**680 060**	675 065
Sale of assets held for rental	**55 145**	27 168
Insurance commission	**1 519**	2 053
	2 879 500	2 779 675
Further information on the disaggregation of revenue can be found in note 24.		
19 OPERATING PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER:		
Depreciation of property, vehicles, plant and equipment	**100 949**	96 538
Depreciation of right-of-use assets	**162 174**	158 790
Amortisation of intangible assets	**5 181**	4 685
Movement in trade receivables loss allowance	**3 806**	(2 412)
Impairment of inventories	**7 120**	3 386
Loss on disposal of property, vehicles, plant and equipment	**3 924**	4 532
Loss on disposal of non-current assets held for sale	**1 554**	252
Loss on disposal of intangible assets	**-**	26
Loss/(profit) on foreign exchange	**383**	(219)
Retirement benefit costs		
– Defined contribution plan expense	**32 263**	37 103
Staff costs	**896 508**	681 620
Other income	**(32 574)**	(45 668)
– Dividend received - insurance cell	**-**	(5 002)
– Recoveries	**(13 783)**	(12 827)
– Rent received	**(17 574)**	(25 129)
– Other	**(1 217)**	(2 710)

2020	Fees for services	Basic salaries	Bonuses	Allow-ances	Provident fund contri-butions	Other	Fringe benefit on options exercised	Total
Directors remuneration								
Executive								
SD Gottschalk	**-**	**4 552**	**2 427**	**127**	**-**	**175**	**-**	**7 281**
CL Sack	**-**	**4 425**	**2 454**	**78**	**239**	**167**	**1 097**	**8 460**
M Padiyachy	**-**	**3 879**	**2 178**	**97**	**209**	**171**	**-**	**6 533**
	-	**12 855**	**7 059**	**302**	**448**	**513**	**1 097**	**22 274**
Non-executive								
CD Stein	**984**	**-**	**-**	**-**	**-**	**-**	**-**	**984**
IM Groves	**571**	**-**	**-**	**-**	**-**	**-**	**-**	**571**
NM Phosa	**627**	**-**	**-**	**-**	**-**	**-**	**-**	**627**
VW Mcobothi	**547**	**-**	**-**	**-**	**-**	**-**	**-**	**547**
B Bulo	**53**	**-**	**-**	**-**	**-**	**-**	**-**	**53**
	2 782	**-**	**-**	**-**	**-**	**-**	**-**	**2 782**
Total	**2 782**	**12 855**	**7 059**	**302**	**448**	**513**	**1 097**	**25 056**

R'000

19 OPERATING PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER (Continued):

2019	Fees for services	Basic salaries	Bonuses	Allow-ances	Provident fund contributions	Other	Fair value of options granted	Total
Directors remuneration								
Executive								
SD Gottschalk	-	4 293	2 290	127	-	159	-	6 869
CL Sack	-	4 176	2 315	78	226	151	812	7 758
M Padiyachy	-	3 660	2 055	97	198	154	-	6 164
	-	12 129	6 660	302	424	464	812	20 791
Non-executive								
CD Stein	937	-	-	-	-	-	-	937
IM Groves	746	-	-	-	-	-	-	746
NM Phosa	543	-	-	-	-	-	-	543
VW Mcobothi	443	-	-	-	-	-	-	443
	2 669	-	-	-	-	-	-	2 669
Total	2 669	12 129	6 660	302	424	464	812	23 460

	2020	2019
20 FINANCE INCOME		
Interest received on loans and deposits	**7 353**	4 293
21 FINANCE COSTS		
Long-term borrowings	**19 098**	18 044
Lease liabilities	**76 128**	90 718
Bank and short-term borrowings	**-**	4
Tax authorities	**-**	435
Other	**619**	25
	95 845	109 226

R'000	2020	2019
22 TAXATION		
Normal tax		
– Current year	**48 788**	47 642
– Arising from prior periods	**(1 718)**	1 034
	47 070	48 676
Deferred tax		
– Current year deferred	**(6 265)**	(10 467)
– Arising from prior periods	**-**	(162)
	(6 265)	(10 629)
Tax for the year	**40 805**	38 047
Reconciliation of rate of taxation	**%**	%
South African normal tax rate	**28,0**	28,0
Adjusted for:		
– Learnership allowances and employee tax incentives	**(3,4)**	(3,1)
– Exempt dividend income	**-**	(0,5)
– Disallowed expenditure*	**0,8**	1,0
– Non-deductible share based payment expense	**0,5**	0,4
– Capital gains taxed at the CGT rate	**(0,3)**	(0,1)
– Shareholders tax on dividends	**0,1**	0,1
– Unrecognised computed tax losses and deferred tax assets	**(0,4)**	(0,6)
– Prior year (over)/underprovision of tax	**(1,0)**	0,6
Effective rate	**24,3**	25,8

*Disallowed expenditure consists of fines, penalties, legal and consulting fees of a capital nature and leasehold depreciation.

The estimated tax losses available for set-off against future taxable income is R4 400 000 (2019: R6 320 000).

The effect of tax rates in foreign jurisdictions was immaterial for both the current and prior financial year.

R'000	2020	2019
23 EARNINGS AND HEADLINE EARNINGS PER SHARE		
Earnings per ordinary share (cents)		
- Basic	**89,5**	73,2
- Diluted basic	**84,1**	70,6
Headline earnings per ordinary share (cents)		
- Headline	**92,2**	75,6
- Diluted headline	**86,7**	72,9
The calculation of the basic and diluted earnings per share is based on the following data:		
IAS 33 Earnings (on which basic earnings per share is based)	**127 366**	106 336
IAS 16 Loss on disposal of property, vehicles, plant and equipment, Gross: R3 924 000 (2019: R4 532 000), less taxation	**2 827**	3 271
IFRS 5 (Gain) / Loss on disposal of non-current assets held for sale, Gross: R1 554 000 (2019: R252 000), less taxation	**1 119**	181
IAS 38 Loss on disposal of intangible assets, Gross: Rnil (2019: R25 000), less taxation	**-**	18
Headline earnings	**131 312**	109 806

R'000	2020	2019
23 EARNINGS AND HEADLINE EARNINGS PER SHARE (Continued)		
Weighted average shares outstanding (number of shares)		
Weighted average shares outstanding for basic and headline earnings per share	**142 372 490**	145 284 191
Potentially dilutive ordinary shares resulting from outstanding options	**9 040 173**	5 386 084
Weighted average shares outstanding for diluted and diluted headline earnings per share	**151 412 663**	150 670 275
Number of options that could dilute earnings per share in future periods	**29 020 156**	29 451 224

24 SEGMENT ANALYSIS

In terms of IFRS 8 Operating Segments the chief operating decision-maker has been identified as the Group's executive directors. Operating segments have been identified based on the Group's internal reporting reviewed by the Group's executive directors for assessing performance and making strategic decisions.

The Group's operating segments are General distribution, Truck rental and other, Retail logistics, and Head office and other. Operational divisions with similar economic characteristics and specialised resource and infrastructure requirements have been aggregated.

The General distribution activities include break-bulk and single party distribution and warehousing services to a wide range of customers in the automotive, electronics, chemical, textile, packaging, mining, construction, telecommunications and pharmaceutical industries.

The Truck rental and other activities include materials handling and commercial vehicle rental and leasing, and clearing and forwarding.

The Retail logistics activities include the warehousing, distribution and wholesaling of a variety of FMCG products into the convenience, formal and informal sector, which consist primarily of independent traders, fuel forecourts, and small retailers.

The Head office and other activities include the costs of a management services company, financing structures, secretarial, compliance and internal audit functions and treasury. Head office costs are allocated to operating segments where appropriate.

Segment revenues reflect both sales to external parties and intergroup transactions across segments. Inter-segment revenues is revenue raised by one segment relating to sales to other segments within the Group and is eliminated on consolidation. Inter-segment transfer pricing is determined by management in a manner similar to transactions with third parties. Revenue from an individual customer did not exceed 10% of total Group revenue in the current or prior financial year. External revenue, total assets and trade and other payables as disclosed in the segment analysis agree to the corresponding amounts as disclosed in the consolidated financial statements. Operating segment results have been reconciled to the Group's net profit before taxation in the tables that follow.

The Group operates primarily in South Africa and as such no geographical segments have been disclosed as economic and political conditions, relationships between operations, underlying currency risk and special risk associated with operations are similar within the different regions in South Africa.

R'000	General distribution	Truck rental and other	Retail logistics	Head office and other	Total
24 SEGMENT ANALYSIS (Continued)					
2020					
Total segment revenues	1 826 869	427 959	670 903	118 375	3 044 106
Inter-segment revenues/eliminations	(4 660)	(47 050)	-	(112 896)	(164 606)
External revenues	1 822 209	380 909	670 903	5 479	2 879 500
Depreciation and amortisation	181 739	67 498	481	18 586	268 304
Operating segment results	201 506	55 266	2 833	(1 904)	257 701
Share of loss of equity-accounted investees net of taxation	(14)	-	-	-	(14)
Fair value adjustment	-	-	-	(1 024)	(1 024)
Segment finance income	2 211	902	945	43 986	48 044
External finance income	26	182	2	7 143	7 353
Inter-segment finance income	2 185	720	943	36 843	40 691
Segment finance costs	(79 306)	(26 883)	-	(30 347)	(136 536)
External finance costs	(62 000)	(7 346)	-	(26 499)	(95 845)
Inter-segment finance cost	(17 306)	(19 537)	-	(3 848)	(40 691)
Net profit before taxation	124 397	29 285	3 778	10 711	168 171
Assets					
Property, vehicles plant and equipment	539 203	423 372	4 877	26 345	993 797
Right-of-use assets	497 709	56 059	-	54 878	608 646
Intangible assets	4 065	1 171	3	8 288	13 527
Goodwill	-	-	16 561	-	16 561
Non-current assets held for sale	-	-	-	201	201
Current assets before investments and loans, deferred tax and tax in advance	206 688	136 396	83 742	264 738	691 564
	1 247 666	616 997	105 183	354 450	2 324 296
Loans receivable					2 636
Equity-accounted investees					63
Deferred tax asset					5 811
Current tax receivable					335
Other financial assets					5 878
Total assets					2 339 019
Liabilities					
Lease liabilities	688 631	82 690	-	74 636	845 957
Interest bearing borrowings	123 905	62 727	-	2 101	188 733
Trade and other payables	138 879	108 972	64 173	79 629	391 653
	951 415	254 389	64 173	156 366	1 426 343
Deferred tax liability					113 312
Current tax payable					377
Shareholders for dividend					820
Total liabilities					1 540 852
Capital expenditure - property, vehicles, plant and equipment and intangible assets	99 084	48 676	887	16 731	165 378

R'000	General distribution	Truck rental and other	Retail logistics	Head office and other	Total
24 SEGMENT ANALYSIS (Continued)					
2019					
Total segment revenues	1 740 618	419 992	660 245	116 680	2 937 535
Inter-segment revenues/eliminations	(3 683)	(45 512)	-	(108 665)	(157 860)
External revenues	1 736 935	374 480	660 245	8 015	2 779 675
Depreciation and amortisation	176 970	63 657	978	18 408	260 013
Operating segment results	178 502	65 715	12 706	(1 639)	255 284
Share of loss of equity-accounted investees net of taxation	(13)	-	-	-	(13)
Fair value adjustment	-	-	-	(2 625)	(2 625)
Segment finance income	2 180	828	1 315	37 992	42 315
External finance income	5	154	17	4 117	4 293
Inter-segment finance income	2 175	674	1 298	33 875	38 022
Segment finance costs	(89 123)	(28 086)	(438)	(29 601)	(147 248)
External finance costs	(73 735)	(9 599)	(438)	(25 454)	(109 226)
Inter-segment finance cost	(15 388)	(18 487)	-	(4 147)	(38 022)
Net profit before taxation	91 087	38 914	13 583	4 129	147 713
Assets					
Property, vehicles plant and equipment	537 027	436 980	4 336	24 888	1 003 231
Right-of-use assets	616 843	77 746	-	63 741	758 330
Intangible assets	2 973	1 259	5	6 744	10 981
Goodwill	-	-	16 561	-	16 561
Non-current assets held for sale	-	-	-	797	797
Current assets before investments and loans, deferred tax and tax in advance	208 097	128 813	90 637	164 964	592 511
	1 364 940	644 798	111 539	261 134	2 382 411
Loans receivable					3 001
Equity-accounted investees					77
Deferred tax asset					5 365
Current tax receivable					913
Other financial assets					6 140
Total assets					2 397 907
Liabilities					
Lease liabilities	793 673	106 930	-	81 050	981 653
Interest bearing borrowings	116 802	65 819	-	73	182 694
Trade and other payables	152 265	85 809	50 227	83 698	371 999
	1 062 740	258 558	50 227	164 821	1 536 346
Deferred tax liability					119 131
Current tax payable					757
Shareholders for dividend					693
Total liabilities					1 656 927
Capital expenditure - property, vehicles, plant and equipment and intangible assets	62 589	64 946	2 005	16 384	145 924

R'000	General distribution	Truck rental and other	Retail logistics	Head office and other	Total
24 SEGMENT ANALYSIS (Continued)					
Revenue is further disaggregated by timing and nature below:					
Recognised over time	**1 784 712**	**240 336**	**-**	**474**	**2 025 522**
Services rendered	**1 784 712**	**240 336**	**-**	**474**	**2 025 522**
Recognised at a point in time	**37 497**	**51 062**	**670 903**	**5 005**	**764 467**
Clearing and forwarding services rendered	**-**	**27 743**	**-**	**-**	**27 743**
Sale of goods	**-**	**6 446**	**670 903**	**2 711**	**680 060**
Sale of assets held for rental	**37 497**	**16 873**	**-**	**775**	**55 145**
Insurance commissions	**-**	**-**	**-**	**1 519**	**1 519**
IFRS 15 Revenue	**1 822 209**	**291 398**	**670 903**	**5 479**	**2 789 989**
Full maintenance leases **	**-**	**89 511**	**-**	**-**	**89 511**
Revenue as per note 18	**1 822 209**	**380 909**	**670 903**	**5 479**	**2 879 500**
2019					
Recognised over time	1 726 015	249 495	-	-	1 975 510
Services rendered	1 726 015	249 495	-	-	1 975 510
Recognised at a point in time	10 920	45 625	660 245	8 015	724 805
Clearing and forwarding services rendered	-	20 519	-	-	20 519
Sale of goods	-	9 596	660 245	5 224	675 065
Sale of assets held for rental	10 920	15 510	-	738	27 168
Insurance commissions	-	-	-	2 053	2 053
IFRS 15 Revenue	1 736 935	295 120	660 245	8 015	2 700 315
Full maintenance leases **	-	79 360	-	-	79 360
Revenue as per note 18	1 736 935	374 480	660 245	8 015	2 779 675

** Lease contracts within the scope of IFRS 16: Leases

R'000	**2020**	2019
25 CONTINGENT LIABILITIES		
25.1 Letters of guarantee issued by the Group's bankers on behalf of a subsidiary company and secured by a general notarial bond over the unencumbered moveable assets (vehicles, plant and equipment) of the subsidiary company.	**37 505**	24 714
Included in the above are guarantees issued by First National Bank to a value of R20 776 000 (2019: R20 776 000) in favour of Nedbank, who in turn have issued guarantees in favour of various third parties.		
25.2 Claims made against a subsidiary company in respect of damages that occurred due to motor vehicle collisions.	**5 635**	4 236
25.3 Claims made against a subsidiary company in respect of a loss of earnings.	**3 500**	3 500
The Group is of the opinion that the claims are unsubstantiated and are vigorously defending them.		

R'000	2020	2019
26 COMMITMENTS		
26.1 **Capital commitments contracted for**		
Property, vehicles, plant and equipment	**15 500**	44 643
IT infrastructure development	**1 024**	-
	16 524	44 643
This expenditure will be financed through internally generated funds and existing Group banking facilities.		
26.2 **Lease liabilities**		
For a maturity analysis of the Group's lease liabilities, refer to note 16.		
The company has also entered into new lease contracts for the use of warehouses and office buildings subsequent to year end. Estimated commitments regarding these leases are as follows.		
Minimum lease payments due:		
- within one year	**34 039**	-
- in second to fifth year inclusive	**102 857**	-
- later than five years	**1 129**	-
	138 025	-
26.3 **Operating leases - as lessor (income)**		
The Group also sub-lets warehouse space to customers. The terms of these sub-lease agreements range from 24 months to 48 months with annual market related escalations.		
There are no contingent rentals receivable.		
Minimum lease payments due		
- within one year	**2 432**	11 697
- in second to fifth year inclusive	**1 887**	2 726
	4 319	14 423
In addition to the sub-leases, certain of the Group's vehicles and forklifts are held to generate rental income in the form of full maintenance leases. Full maintenance lease agreements have terms ranging from 24 months to 60 months. Refer to note 2 for the carrying value of these assets.		
Minimum lease payments due		
- within one year	**33 314**	28 245
- in second to fifth year inclusive	**17 189**	26 161
	50 503	54 406

27 RELATED PARTIES

Identity of related parties

Holding company	Value Group Limited
Ultimate holding company	Lougot Property Investments Proprietary Limited
Associate company	Value SA Proprietary Limited
Joint venture	Value Logistics (Hong Kong) Co. Limited
Entity significantly influenced by a director	SKR Marketing CC
Insurance cell	Mutual and Federal insurance cell captive
Directors/key management personnel	SD Gottschalk CL Sack M Padiyachy CD Stein IM Groves NM Phosa VW Mcobothi B Bulo
Landlords	Various property companies controlled by SD Gottschalk

Entities within the Group	Issued Capital	Principal place of business and country of incorporation	Effective Holding 2020 %	Effective Holding 2019 %
Investments in subsidiary companies				
Value Logistics Limited	R2 500 000	South Africa	**100**	100
Value Logistics Personnel Services Proprietary Limited	R100	South Africa	**100**	100
Value Logistics (Botswana) Proprietary Limited	Pula 2	Botswana	**100**	100
Value Logistics Namibia Proprietary Limited	N$ 100	Namibia	**100**	100
Value Specialised Logistics Proprietary Limited	R100	South Africa	**100**	100
Key Distributors Proprietary Limited	R200	South Africa	**100**	100
Liquid in Motion 14 Proprietary Limited	R100	South Africa	**51**	51
Core Logistix Proprietary Limited	R100	South Africa	**100**	100
Investment in associate company				
Value SA Proprietary Limited	R100	South Africa	**30**	30
Investment in joint venture				
Value Logistics (Hong Kong) Co. Limited	HKD 10 000	China	**50**	50

There are no restrictions on the ability to access or use assets and settle liabilities of the Group.

Transactions with related parties

Related-party transactions exist between the Group companies. These are eliminated on consolidation. All purchasing and selling transactions are concluded at arm's length.

Leases on properties have been entered into with companies controlled by a director, SD Gottschalk. The risk of continuity of securing the premises, which are integral to the Group's operations, is therefore reduced. All rentals and rental escalations on these properties are determined by independent valuers taking into account the future prospects and demand for properties in the area with reference to rentals achieved and vacancy rates, as well as the condition and state of improvements of the properties. The lease agreements are structured as triple net leases, meaning that the Group is responsible for the payment of all rates and taxes, municipal fees and incidental costs in relation to the leased properties.

Escalations on these leases vary from 6% to 8%, and the lease periods range from month to month to 12 years. Most lease rentals are again independently assessed every two to five years and lease rentals and escalations are then adjusted to align these with current market conditions. This specific reassessment is viewed by the Group as being advantageous since this condition is not normally available in the market place. The lease commitments, where escalations are reassessed, have been calculated based on the remaining period of the various agreements by applying the estimated escalations over the full period of the lease. Where renewal is certain, future lease commitments in relation to property leases to be renewed in the 2021 financial year have been estimated.

27 RELATED PARTIES (Continued)

Property lease rentals paid to companies controlled by SD Gottschalk and associated future estimated lease commitments are as follows:

R'000	Current		Due within 1 year		Due thereafter	
	2020	2019	**2020**	2019	**2020**	2019
South Africa	**213 404**	198 016	**171 011**	207 281	**738 670**	1 002 837
Namibia	**1 515**	1 603	**1 630**	1 636	**1 213**	3 077
	214 919	199 619	**172 641**	208 917	**739 883**	1 005 914

	2020	2019
Municipal accounts paid in accordance with property lease agreements:		
- Lougot Property Investments Proprietary Limited	**10 794**	10 362
- Companies controlled by a director, SD Gottschalk	**14 729**	14 598
Services rendered by the Group to:		
- Lougot Property Investments Proprietary Limited	**1 944**	-
- Companies controlled by a director, SD Gottschalk	**1 031**	596
- SD Gottschalk	**40**	-
Services rendered to the Group by:		
- Lougot Property Investments Proprietary Limited	**43**	156
- Companies controlled by a director, SD Gottschalk	**319**	-
Assets sold by the Group to companies controlled by SD Gottschalk	**12**	100
Revenue earned from associate company:		
- Value SA Proprietary Limited	**-**	153
Included in trade receivables are amounts receivable from related parties:		
- Lougot Property Investments Proprietary Limited	**306**	46
- Companies controlled by a director, SD Gottschalk	**183**	517
Included in trade payables are amounts payable to related parties:		
- Lougot Property Investments Proprietary Limited	**710**	1 197
- Companies controlled by a director, SD Gottschalk	**1 639**	1 663
Loan due by related party		
- SKR Marketing CC (Refer to note 6 for further information)	**2 636**	3 001

28 RETIREMENT BENEFITS

Defined contribution plan

Currently subsidiary companies provide retirement benefits to their employees. A defined contribution provident fund, which is subject to the Pension Funds Act, exists for this purpose. The scheme is funded both by member and company contributions, which are charged to the statement of comprehensive income as they are incurred. The Group is under no obligation to cover any unfunded benefits. The Group's contribution to the above scheme was R32 263 000 (2019: R37 103 000).

Medical aid

The Group does not provide any post-retirement medical benefits.

29 RISK MANAGEMENT

Capital risk management

The capital structure of the Group consists of equity attributable to equity holders of the Group which comprises issued share capital and premium, the share-based payment reserve and accumulated profits as disclosed in the consolidated statement of changes in equity, borrowings as disclosed under notes 15 and 16 and cash and cash equivalents as disclosed under note 12.

The Group's capital management objective is to meet its liquidity requirements, to repay borrowings as they fall due, to continue as a going concern, to ensure there is sufficient capital available for the funding requirements of the Group (including capital expenditure) and to maximise shareholders' returns and reduce cost of capital.

The Group is in a net current asset position at year-end, has repaid all borrowings as they fall due during the year and is able to meet its liquidity requirements. Based on the budget and forecast for the following year, the Group has sufficient capital available for its funding requirements, to maximise shareholders' returns and to continue as a going concern.

The Group's capital management policy is to hold sufficient capital as management believes is necessary to ensure that obligations can always be met on a timely basis and to maintain a positive net assets and net current assets position.

Group transactional banking facilities consist of the following:

- Short term working capital facilities of R100 million, which is secured by a cession of trade receivables, R5 million of which is additionally secured by a suretyship provided by a subsidiary. The Group must ensure that the "good" debtor cover is sufficient to utilize the facilities in full;
- Guarantee facility of R45 million, of which R40 million is secured by a general notarial bond over unencumbered moveable assets (vehicles, plant and equipment) to the value of R40 million (Refer to note 2); and
- Forward exchange facilities of R8 million.

The bank balances fluctuate on a daily basis, however at year-end there was no bank overdraft.

Two subsidiaries of the Group have to maintain covenant ratios and metrics in relation to banking facilities granted by First National Bank during the 2020 financial year. The facilities subject to the covenant are:

- Working capital of R95 million;
- Guarantees of R40 million;
- Forward exchange contracts of R8 million;
- Sundry transactional facilities of R0,7 million; and
- Asset based funding of R150 million.

The covenant conditions for each of the two subsidiaries respectively, are as follows:

- Total senior debt: EBITDA must not exceed 1,5 times (excluding the effects of IFRS 16); and
- Shareholders' interest must not reduce to below R580 million.

And,

- Shareholders interest must not reduce to below R7 million.

These covenant conditions were met.

29 RISK MANAGEMENT (Continued)

Subsidiaries of the Group have combined asset based funding facilities of R343,4 million (2019: R310,7 million) of which R186,1 million (2019: R163,4 million) was available at year end. To the extent utilised, these facilities are secured by vehicles and forklifts as detailed in note 15.

Loan funding facilities of R35,4 million granted to a subsidiary of the Group are secured by a mortgage bond over the Mahogany Ridge property and a subordination of the loan due by the subsidiary company to this Company, in favour of the mortgagor.

The following covenants apply to this mortgage bond:

- EBITDA: Net interest must not be less than 2 times;
- Net debt: EBITDA must not exceed 2,25 times; and
- Loan to value of the property ratio to not exceed 80%.

These covenant conditions were met.

Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. Management's objectives for managing risk is to minimise the Group's exposure. Market risk comprises foreign currency and interest rate risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk as it imports forklifts and spares. Forward exchange contracts are used to reduce the risks arising from foreign currency fluctuations against the Group's own currency.

It is the Group's policy to take out forward cover on all substantial foreign transactions, and review its foreign currency exposure, including commitments on an ongoing basis. The Group does not use forward exchange contracts for speculative purposes and does not apply hedge accounting.

Details of each outstanding forward exchange contract for the financial year are as follows:

Amount in foreign currency purchased	Forward exchange rate	Maturity date
As at 29 February 2020		
119 125 USD	1 USD = 15,65 ZAR	Monday, 30 March 2020
361 232 USD	1 USD = 15,66 ZAR	Monday, 30 March 2020
54 683 USD	1 USD = 15,70 ZAR	Tuesday, 14 April 2020
102 864 USD	1 USD = 15,73 ZAR	Tuesday, 28 April 2020

The risk being hedged was an exchange loss due to an unfavourable movement in the exchange rate between the Rand and the United States Dollar.

The Group's loss on foreign exchange instruments for the year was R272 000 (2019: gain of R61 000).

At 29 February 2020, if the Rand had weakened/strengthened by 10% against the United States Dollar with all other variables held constant, pre-tax profit for the year would have been R1 000 000 lower/higher. There were no outstanding forward exchange contracts at the end of the previous financial year.

29 RISK MANAGEMENT (Continued)

Interest rate risk

The Group's interest rate risk arises principally from long-term borrowings. Borrowings raised at variable rates expose the Group to cash flow interest rate risk. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations, the impact on pre-tax profit of a 50 basis point shift in the interest rate would be a maximum increase/decrease of R944 000 (2019: R913 000). The simulation is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial assets which potentially subject the Group to concentrations of credit risk consists mainly of cash deposits, cash equivalents, trade and other receivables, investments and loans receivable.

Management's objectives for managing credit risk is to minimise the Group's exposure. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial defaults. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

Credit loss allowances for ECLs are recognised for all debt instruments, but excluding those measured at FVTPL.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime ECL basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime ECL. If not, then the loss allowance is based on a 12 month ECL. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime ECLs before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables (which do not contain a significant financing component) the loss allowance is determined as the lifetime ECL of the instruments. ECLs on trade receivables have been detailed in full in note 10.

Cash and cash equivalents

The Group only deposits cash with major banks with high quality credit standing. For this reason the Group does not consider there to be any significant concentration of credit risk.

Trade and other receivables

Trade receivables comprise a widespread customer base spread across diverse industries and geographical areas. Management evaluated credit risk relating to customers on an ongoing basis. Accordingly, the Group has no significant concentration of credit risk

29 RISK MANAGEMENT (Continued)

Investments

Equity-accounted investees

The exposure to credit risk is not significant as the value of the investments is not material.

Investment in insurance cell

The operations of the insurance cell are carried out through a reputable company, i.e. Mutual and Federal. Mutual and Federal manages solvency of the cell by assessing and maintaining solvency ratios. In addition, Mutual and Federal have reinsurance policies in place to insure against potential shortfalls that may arise on a claim. However in the event of substantial claims subsequent to year end, a portion or all of the fair value of the investment may not be recovered and additional losses are to be recovered from future profits of the cell.

Loan receivable

This comprises a loan due from a related party, SKR Marketing CC. The exposure to credit risk is not significant as the corporation and its members have adequate resources to repay the loan. The members have bound themselves jointly and severally as surety and co-principal debtor of the loan. There have been no defaults in the past.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring cash flows. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. The table below analyses the Group's financial liabilities at the financial year-end into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows.

R'000	Less than 1 year	Between 2 and 5 years	More than 5 years
At 29 February 2020			
Interest-bearing borrowings	**65 638**	**150 605**	**-**
Lease liabilities	**188 208**	**685 640**	**110 465**
Trade payables	**254 247**	**-**	**-**
Other payables and accruals	**89 542**	**-**	**-**
Shareholders for dividend	**820**	**-**	**-**
At 28 February 2019			
Interest-bearing borrowings	78 353	152 355	-
Lease liabilities	224 314	719 316	264 997
Trade payables	237 830	-	-
Other payables and accruals	99 645	-	-
Shareholders for dividend	693	-	-

29 RISK MANAGEMENT (Continued)

Financial instruments by category

R'000	Financial assets at amortised cost	Financial assets at FVTPL	Financial liabilities at amortised cost
At 29 February 2020			
Loan receivable	**2 636**	**-**	**-**
Foreign exchange contracts	**-**	**762**	**-**
Investment in insurance cell captive	**-**	**5 116**	**-**
Trade receivables	**308 334**	**-**	**-**
Cash and cash equivalents	**262 573**	**-**	**-**
Interest-bearing borrowings	**-**	**-**	**(188 733)**
Trade payables	**-**	**-**	**(254 247)**
Other payables and accruals (excluding non financial instruments)	**-**	**-**	**(89 542)**
Shareholders for dividend	**-**	**-**	**(820)**
	573 543	**5 878**	**(533 342)**
At 28 February 2019			
Loan receivable	3 001	-	-
Investment in insurance cell captive	-	6 140	-
Trade receivables	295 656	-	-
Cash and cash equivalents	175 944	-	-
Interest-bearing borrowings	-	-	(182 694)
Trade payables	-	-	(237 830)
Other payables and accruals (excluding non financial instruments)	-	-	(99 645)
Shareholders for dividend	-	-	(693)
	474 601	6 140	(520 862)

The above tables exclude items/balances which are not financial instruments as defined.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

R'000	Level 2
29 RISK MANAGEMENT (Continued)	
At 29 February 2020	
Forward exchange contracts	**762**
Investment in insurance cell captive	**5 116**
At 28 February 2019	
Investment in insurance cell captive	6 140

There have been no changes to the valuation techniques since the previous financial year and no transfers between the levels.

Forward exchange contracts are marked to market at year end. The inputs used in the calculation are the foreign currency amounts stated in the contract, the equivalent Rand amount at the start of the contract and the Rand revaluation rate at year end.

Due to the nature of the investment in the insurance cell captive, specifically the significant composition of the liquid assets and liabilities, the net asset value is seen to be the most appropriate representation of fair value. The purpose of the cell is restricted to the Group's activities, and consequently its value at a point in time would be its net asset value only, that is, the net result of realising its assets and settling its liabilities. The cell has been classified as level 2 in the fair value hierarchy as the major inputs are observable and the effect of the unobservable inputs are not significant. The primary asset of the cell captive is cash and cash equivalents and this would be fair value. The liabilities related to the cell captive are the amounts that would be payable if all estimated claims provided for, materialised at the reporting date. Claims incurred but not yet reported (unobservable inputs) have been taken into consideration in determining the net asset value of the cell captive. These unobservable inputs do not have a significant effect on the net asset value of the insurance cell captive. Furthermore, without an ongoing undertaking by the Group to utilise the cell, there is no goodwill or discount factor attributable to its activities. The composition of the cell assets and liabilities are as follows:

	2020	2019
Assets	**9 878**	10 830
Cash and investments	**6 357**	7 805
Agents balances	**1 149**	1 272
Other	**2 372**	1 753
Liabilities	**(4 762)**	(4 690)
Gross outstanding claims	**(3 544)**	(3 544)
Gross incurred but not reported	**(1 030)**	(772)
Other	**(188)**	(374)
Net asset value of cell	**5 116**	6 140

30 SHARE INCENTIVE SCHEMES

The number of shares available for purposes of the schemes is equal to the number of options outstanding at the beginning, during and at the end of the financial year.

The Value Group Share Incentive Trust

In terms of the scheme, shares and/or options in respect of shares may be offered to employees and directors so as to not exceed 10% of the issued ordinary shares of the Company, with a limitation of 1% per participant.

The following options over ordinary shares held by the Value Group Share Incentive Trust have been granted and were outstanding in terms of the scheme:

		Number of options outstanding	
Date of grant	**Latest expiry date**	**2020**	2019
Friday, 21 October 2016	Tuesday, 20 October 2026	**762 138**	1 143 206
Wednesday, 21 February 2018	Monday, 21 February 2028	**250 000**	250 000
		1 012 138	1 393 206

Date of grant	Fair value (cents)	Option exercise price (cents)	Market price (cents)	Volatility %	Dividend yield %	Risk free rate
Friday, 21 October 2016	70,5	292	290	54,5	6,21	8,67
Wednesday, 21 February 2018	117,8	419	420	46,3	6,2	7,99

Expected volatility has been determined with reference to the annualised standard deviation of daily returns based on historical daily share price movements. The option life is based on option vesting conditions in terms of the trust deed.

	Number of options	
Movement during the year	**2020**	2019
Balance at beginning of the year	**1 393 206**	1 774 274
Options exercised	**(381 068)**	(381 068)
Balance at end of the year	**1 012 138**	1 393 206

Delivery of and payment for shares in respect of options exercised may occur in annual tranches of 25% per annum with effect from the second anniversary of the acceptance date. Participants are entitled to defer delivery of and payment for the shares provided that full delivery must have occurred by the tenth anniversary of the acceptance date. The share price at the date of option exercise was 500 cents per share (2019: 638 cents).

30 SHARE INCENTIVE SCHEMES (Continued)

Movements of shares owned by the Value Group Share Incentive Trust and associated loan values were as follows:

	Number of shares		Loan value R'000	
	2020	2019	**2020**	2019
Balance at beginning of the year	**1 393 204**	1 774 272	**4 384**	5 496
Options exercised	**(381 068)**	(381 068)	**-**	-
Repayments	**-**	-	**(1 542)**	(1 569)
Write-up of loan	**-**	-	**430**	457
Balance at end of the year	**1 012 136**	1 393 204	**3 272**	4 384

The trust owns sufficient shares to issue to participants to satisfy options granted over the Company's ordinary shares.

Share options granted to executive directors

Director	**Latest expiry date**	**Exercise price (cents)**	**Number of options at 28 February** 2019	**Options exercised**	**Number of options at 29 February 2020**
CL Sack	20 October 2026	292	1 143 206	(381 068)	**762 138**
M Padiyachy	21 February 2028	419	250 000	-	**250 000**
			1 393 206	(381 068)	**1 012 138**

The Value Group Empowerment Trust

The trust was created in 2011 for the benefit of the current and future black employees of the Group who fall within the C and D Peromness bands and who satisfy a set of objective criteria as set by the board.

Employees must remain in the service of the Group until 23 July 2022 to benefit from the trust.

The trust through its holding of 10 429 010 A ordinary shares holds approximately 5,7% (2019: 5,7%) of the issued capital of the Company.

The trust is divided into 10 429 010 units, which equates to one unit for each A share it holds. The board will at its discretion nominate the beneficiaries of the trust and the number of units allocated to each employee.

The economic substance of these grants for accounting purposes is the granting of a call option in respect of the Company's 10 429 010 A ordinary shares.

The following units have been allocated:

		Number of options outstanding	
Date of grant / extension	**Latest expiry date**	**2020**	2019
Sunday, 23 July 2017	Saturday, 23 July 2022	**4 450 000**	4 450 000
Monday, 01 October 2018	Saturday, 23 July 2022	**2 700 000**	2 750 000
		7 150 000	7 200 000

30 SHARE INCENTIVE SCHEMES (Continued)

Date of grant/extension	Fair value (cents)	Option strike price (cents)	Market price (cents)	Volatility %	Dividend yield %	Risk free rate %
Sunday, 23 July 2017	79,1	408	380	44,5	6,3	8,53
Monday, 01 October 2018	152,0	411	495	44,4	6,1	9,05

Expected volatility has been determined with reference to the annualised standard deviation of daily returns based on historical daily share price movements. The option life is based on option vesting conditions in terms of the trust deed.

	Number of Options	
Movement during the year	**2020**	2019
Balance at beginning of the year	**7 200 000**	5 650 000
Units allocated	**-**	2 750 000
Units forfeited – resignations	**(50 000)**	(1 200 000)
Balance at end of the year	**7 150 000**	7 200 000

A notional loan has been deemed to attach to the A ordinary shares. On the assumption that all of the units have been allocated, the notional loan amounts to R41 031 000 (2019: R41 715 000) which equates to R3,93 (2019: R4,00) per ordinary share. The notional loan will be increased by notional interest calculated at 72% of the prime bank overdraft rate and decreased by notional distributions which will correspond to distributions to ordinary shareholders. If on 23 July 2022 the notional loan is not repaid, the Group can exercise its right to repurchase sufficient A ordinary shares at the weighted average price of the Group's ordinary shares over the 30 trading days prior to 23 July 2022 to settle the outstanding notional loan. The remaining A ordinary shares will be converted into ordinary shares on a 1:1 basis and will be transferred to the beneficiaries who have met their service requirements.

The option price has been based on the projected notional loan balance on 23 July 2022.

BBBEE transaction

The Company entered into agreements in May 2010 in terms of which it issued 14 600 614 ordinary shares to Opsiweb Investments (RF) Proprietary Limited, an entity owned by a trust controlled by Dr Mathews Phosa, a non-executive director of the Company and 6 257 406 ordinary shares to Diplobuzz Investments (RF) Proprietary Limited, an entity owned by a trust controlled by Mano Padiyachy, an executive director of the Company at R3,50 per ordinary share, which was funded by a preference share liability.

The economic substance of these transactions for accounting purposes is the granting of a call option on the Company's ordinary shares.

Date of grant	Fair value (cents)	Option exercise price (cents)	Market price (cents)	Volatility %	Dividend yield %	Risk free rate
Friday, 21 July 2017 (extensions)						
- Opsiweb Investments (RF) (Pty) Ltd	124,4	342	380	44,5	6,3	8,53
- Diplobuzz Investments (RF) (Pty) Ltd	90,2	342	380	44,5	6,3	8,53

Expected volatility has been determined with reference to the annualised standard deviation of daily returns based on historical daily share price movements. The subscription consideration of R73 003 000 was funded through the issue by a subsidiary company of 20 858 020 redeemable preference shares at R3,50 each which bear interest at 72% of the prime bank overdraft rate and are redeemable on 23 July 2022. The option price has been based on the projected preference share obligation on 23 July 2022.

31 DIRECTORS INTEREST IN SHARE CAPITAL OF THE COMPANY

	Beneficial number of ordinary shares		Non-beneficial number of ordinary shares	
	2020	2019	**2020**	2019
The directors' interests, directly and indirectly, in the issued share capital of the Company were as follows:				
CD Stein				
- Direct	**3 070**	373 070	**-**	-
SD Gottschalk				
- Indirect***	**-**	-	**95 929 020**	95 929 020
CL Sack				
- Direct	**2 802 136**	2 421 068	**-**	-
M Padiyachy				
- Direct	**375 000**	375 000	**-**	-
- Indirect*	**6 257 406**	6 257 406	**-**	-
NM Phosa				
- Direct	**-**	45 500	**-**	-
- Indirect**	**14 600 614**	14 600 614	**-**	-
VW Mcobothi				
- Direct	**23 520**	16 520	**-**	-
	24 061 746	24 089 178	**95 929 020**	95 929 020

Post financial year-end, VW Mcobothi purchased 15 000 shares. There have been no other changes in directors' interests between the financial year-end and the date of approval of the consolidated financial statements.

*6 257 406 ordinary shares pledged and ceded as security for 30 months (2019: 42 months) relating to a preference share obligation to Value Logistics Limited in the amount of R21 976 000 (2019: R23 083 000).

**14 600 614 ordinary shares pledged and ceded as security for 30 months (2019: 42 months) relating to a preference share obligation to Value Logistics Limited in the amount of R51 277 000 (2019: R53 861 000).

***47 100 000 ordinary shares pledged and ceded as security relating to an overdraft facility in the amount of R75 000 000.

32 DIVIDENDS PER SHARE

Dividend number 25 of 27 cents per share was declared on 10 May 2019 and paid on 1 July 2019 to shareholders registered on 25 June 2019. The dividend was subject to a dividend withholding tax of 20% which amounted to 5,4 cents per share. This resulted in a net dividend of 21,6 cents per share to those shareholders who were not exempt from paying dividend withholding tax.

Dividend number 26 of 16 cents per share was declared on 17 October 2019 and paid on 20 January 2020 to shareholders registered on 14 January 2020. The dividend was subject to a dividend withholding tax of 20% which amounted to 3,2 cents per share. This resulted in a net dividend of 12,8 cents per share to those shareholders who were not exempt from paying dividend withholding tax.

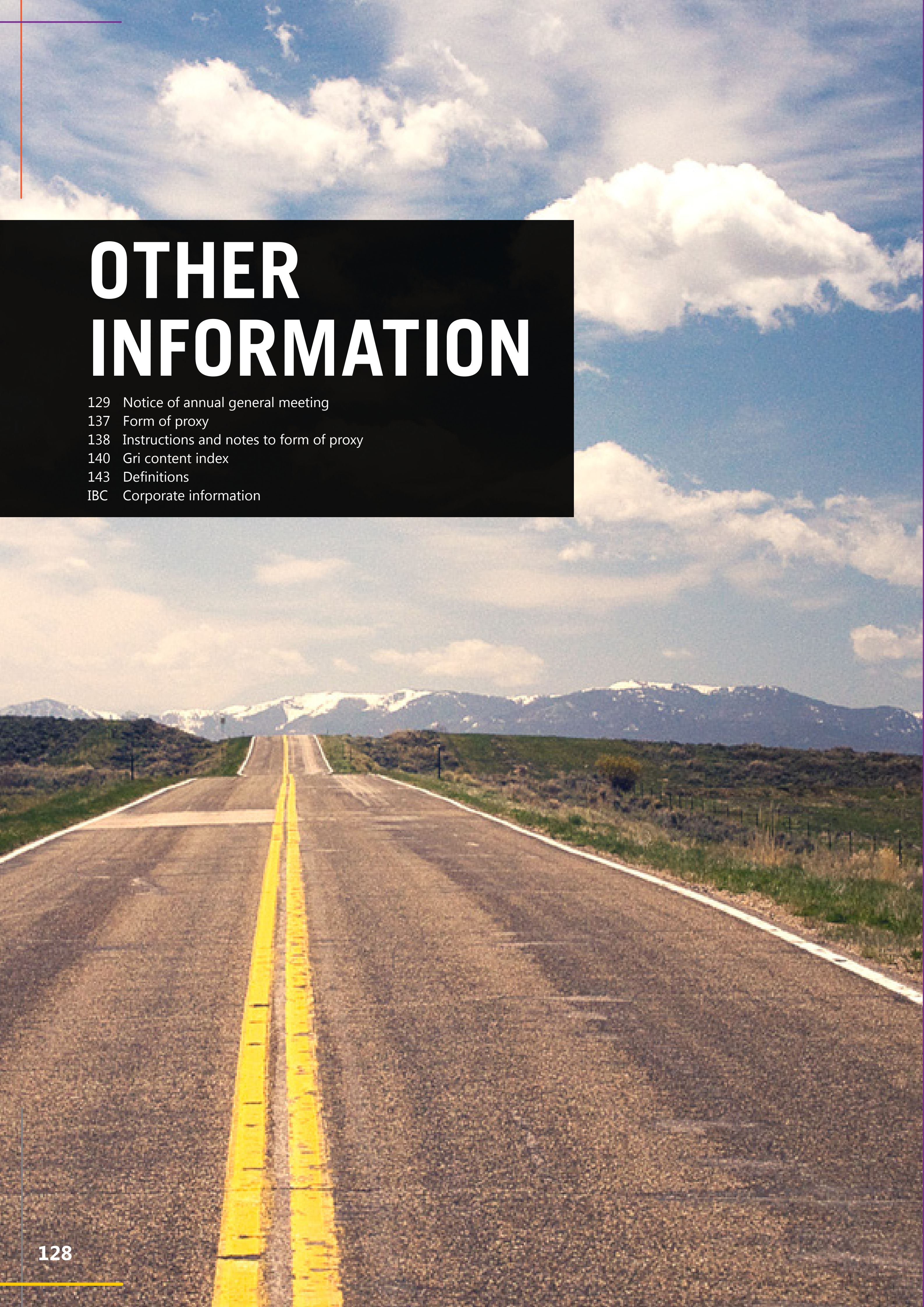
Dividend number 27 of 24 cents per share was declared on 12 June 2020 and will be paid on 11 August 2020 to shareholders registered on 4 August 2020. The dividend will be subject to dividend withholding tax of 20% which amounts to 4,8 cents per share. This will result in a net dividend of 19,2 cents per share payable to those shareholders who are not exempt from paying dividend withholding tax.

33 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The post year-end events relating to the COVID-19 pandemic and subsequent nation-wide lockdown have been assessed as non-adjusting post-balance sheet events.

The implementation of level 5 lockdown from 27 March 2020 to 30 April 2020, resulted in a material reduction in revenue. April 2020 revenue was 32,6% below that of April 2019, while May 2020 was 5,3% below that of May 2019. From 1 June 2020, with the shift to less restrictive level 3 lockdown, the Group became almost fully operational.

While it is too early to quantify the full impact of the lockdown on Group profitability, the Group has enough cash resources and a sound balance sheet to continue in operational existence for the foreseeable future.



OTHER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Value Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1997/002203/06
Share code: VLE
ISIN code: ZAE000016507
("Value" or "the Company")

NOTICE OF MEETING

Notice is hereby given that the annual general meeting (AGM) of shareholders of the Company will be held and conducted entirely by electronic communication at 11:00 on Wednesday, 23 September 2020. The definitions and interpretations set out in the integrated annual report to which this notice of meeting is attached will be applicable in this notice.

PURPOSE OF THE AGM

The purpose of the AGM is to:

i. deal with such business as may lawfully be dealt with at the meeting; and

ii. consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act 71 of 2008, as amended ("the Act"), as read with the Listings Requirements of the JSE Limited ("JSE Listings Requirements") on which exchange the Company's ordinary shares are listed, which meeting is to be participated in and voted at by shareholders registered as such as at the record date of Friday, 18 September 2020.

When reading the resolutions below, please refer to the explanatory notes for the resolutions.

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The audited consolidated annual financial statements of the Company (as approved by the board of directors of the Company), incorporating the external auditor, audit committee and directors' reports for the year ended 29 February 2020, are presented to shareholders.

PRESENTATION BY THE CHAIRMAN OF THE SOCIAL & ETHICS COMMITTEE

In accordance with Companies Regulation 43(5)(c), issued in terms of the Act, the chairman of the social and ethics committee will present a verbal report to shareholders on the activities of the social and ethics committee.

ORDINARY RESOLUTIONS

Ordinary resolution 1: Election and re-election of directors

In accordance with the company's memorandum of incorporation (MOI), at each AGM, at least one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders.

In accordance with these requirements, Dr NM Phosa and Mr IM Groves will retire by rotation. Dr NM Phosa has indicated that he is available for re-election whereas Mr IM Groves has not offered himself for re-election.

The board has appointed Ms B Bulo as new independent non-executive director during the year until the AGM at which she is obliged to retire by rotation and is available for election by shareholders.

Brief profiles in respect of each director offering themselves for election and re-election are contained on pages 8 and 9 of the integrated annual report.

Ordinary resolution 1.1: Election of Ms B Bulo

"Resolved that Ms B Bulo, be and is hereby elected as an independent non-executive director of the Company with effect from 1 February 2020."

Ordinary resolution 1.2: Re-election of Dr NM Phosa

"Resolved that Dr NM Phosa be and is hereby re-elected as non-executive director of the Company with effect from 23 September 2020."

Ordinary resolution 2: Appointment of audit & risk committee members

To appoint, on the board's recommendation, by individual resolutions, the following independent non-executive directors as members of the audit and risk committee of the Company and the Company's Group ("Group") as provided for in section 94(4) of the Companies Act:

"Resolved that the following independent non-executive directors are appointed as members of the Company's audit and risk committee, in terms of section 94(2) of the Act, by separate resolutions, each of which is on the candidacy of a single individual to fill a single vacancy, with effect from the end of this AGM:

Ordinary resolution 2.1: Re-election of Mr VW Mcobothi

"Resolved that Mr VW Mcobothi be and is hereby re-elected as member and chair of the audit and risk committee with effect from 23 September 2020."

Ordinary resolution 2.2: Election of Ms B Bulo

"Resolved that Ms B Bulo be and is hereby elected as member of the audit committee with effect from 23 September 2020."

The election of Ms B Bulo is subject to her election as director in ordinary resolution number 1.1.

Ordinary resolution 2.3: Re-election of Mr CD Stein

"Resolved that Mr CD Stein be and is hereby re-elected as member of the audit committee with effect from 23 September 2020."

Mr CD Stein is currently the chairman of the board and a member of the audit and risk committee as his experience and knowledge of the Group's operations and risks are invaluable to the audit and risk committee.

Mr CD Stein is an independent non-executive chairman of the board, therefore he is eligible to be a member of the audit committee. Additionally, the Company has complied with guidance from the JSE in this circumstance, in that:

- all the other members of the audit and risk committee are independent non-executive directors;
- Mr CD Stein is not the chairman of the audit & risk committee;
- the dual role has been specifically disclosed to shareholders; and
- shareholders will be approving the appointment of the chairman to the audit and risk committee at the AGM.

Brief profiles of the independent non-executive directors offering themselves for election as members of the audit and risk committee are contained on pages 8 and 9.

Ordinary resolution 3: Re-appointment of external Auditor

"Resolved that, upon the recommendation of the audit and risk committee, SVG represented by Mr E Steyn as the audit partner be and is hereby re-appointed as the independent registered auditor of the Company, to report on the financial year ending 28 February 2021, meeting the requirements of section 90(2) and (3) of the Act, until the conclusion of the next annual general meeting."

Ordinary resolution 4: Advisory endorsement of the remuneration policy and implementation report

Ordinary resolution 4.1: Remuneration policy

"Resolved to approve, as a non-binding advisory vote in terms of King IV, the Company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of board committees) as set out in the remuneration report contained in the integrated annual report on pages 46 to 51".

Ordinary resolution 4.2: Remuneration implementation report

"Resolved to approve, as a non-binding advisory vote in terms of King IV, the Company's remuneration implementation report (excluding the remuneration of the non-executive directors for their services as directors and members of board committees) as set out in the remuneration report contained in the integrated annual report on pages 46 to 51".

Additional information

The King IV Report on Corporate Governance for South Africa, 2016 ("King IV") recommends that the Company's remuneration policy and implementation report be tabled to shareholders for a non-binding advisory vote at each annual general meeting. Failure to pass one of these resolutions will not have legal consequences relating to existing arrangements. However, the board will take the outcome of the vote into consideration when assessing the Company's remuneration policy.

Ordinary resolution 5: General authority to directors to issue authorised but unissued ordinary shares

To authorise the directors as required by the Company's MOI and subject to the provisions of section 41 of the Act to, at their discretion, issue the unissued authorised ordinary shares in the Company, and sell or otherwise transfer or dispose of ordinary shares in the Company held by subsidiaries of the Company and/or grant options to subscribe for the unissued ordinary shares or purchase ordinary shares held by subsidiaries of the Company, representing not more than 10% of the number of ordinary shares currently in issue being 172 635 000, for such purposes and on such terms and conditions as they may determine, subject to the JSE Listings Requirements which authority shall endure until the next annual general meeting of the Company.

"Resolved that, as required by and subject to the MOI and the requirements of the Act and the JSE Listings Requirements, from time to time, the directors are, as a general authority and approval, authorised, as they in their discretion think fit, to issue the unissued ordinary shares of the Company and to sell or otherwise transfer or dispose of ordinary shares in the Company held by subsidiaries of the Company."

Ordinary resolution 6: General authority to issue ordinary shares for cash

"Resolved that, subject to renewal of the general authority proposed in terms of ordinary resolution number 5 above and the JSE Listings Requirements, the directors are authorised to issue ordinary shares in the Company, to grant options over ordinary shares in the Company and to sell or otherwise transfer or dispose of ordinary shares in the Company held by subsidiaries of the Company for cash, as and when suitable situations arise. The JSE Listings Requirements currently provide, inter alia that:

- any such issue or disposal of ordinary shares or grant of options shall be to "public shareholders" as defined by the JSE Listings Requirements and not to "related parties";
- this authority shall only be valid until the next annual general meeting of the Company, provided it shall not extend beyond 15 months from the date of this annual general meeting;
- a SENS announcement giving details, including the impact on net asset value and earnings per share, will be published after the issue or disposal of ordinary shares, and/or grant of options, pursuant to this authority representing, on a cumulative basis, 5% or more of the number of ordinary shares in issue prior to any such issues, disposals or grants;
- issues or disposals of ordinary shares pursuant to this authority (excluding issues or disposals of ordinary shares in terms of any Company/Group share incentive scheme) in any one financial year, shall not, in aggregate, exceed 8 631 750 of the Company's issued shares; and
- in determining the price at which an issue or disposal of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE of the ordinary shares measured over the 30 business days prior to the date that the price of issue or disposal is determined or agreed between the Company and the party/ies subscribing for or purchasing the ordinary shares."

Ordinary resolution 7: Signing authority

"Resolved to authorise any one director or the secretary of the Company to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM."

SPECIAL RESOLUTIONS

Special resolution 1: General authority to directors to repurchase ordinary shares

"Resolved that the Company and/or any subsidiary of the Company is hereby authorised, by way of a general authority, from time to time, to acquire ordinary shares in the Company from any person in accordance with the requirements of the Company's MOI, the Act and the JSE Listings Requirements, from time to time. The JSE Listings Requirements currently provide, inter alia, that:

- this general authority will be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this resolution;
- the repurchase must be affected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;
- repurchases may not be made at a price greater 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 was affected;
- an announcement will be published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% of the 172 635 000 ordinary shares in issue, and for each 3% in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- the number of ordinary shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% of the Company's issued shares as at the date of passing of this special resolution; provided that in terms of the Act subsidiaries of the Company cannot acquire more than 10% of the Company's issued shares;
- the Company and its subsidiaries may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period;
- at any point in time the Company will only appoint one agent to affect any repurchases on its or its subsidiaries' behalf; and
- the board of directors passing a resolution authorising the repurchase and confirming that the Company passed the solvency and liquidity test set out in section 4 of the Act and that since the test was done there have been no material changes to the financial position of the Group.

The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 months after the date of the notice of the AGM and at the actual date of the repurchase:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the Group will be adequate for ordinary business purposes;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group; and
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes.

Special resolution 2: Additional Remuneration of non-executive directors for the financial year ended 2020

"Resolved, in terms of the Company's MOI, that the additional remuneration paid, with effect from 1 March 2019 for the financial year ended 29 February 2020, to B Bulo, for her services as director of the board, be approved:

Annual totals Rands	2020 Approved fee	2020 Fees earned	2020 Additional fees earned
B Bulo*	-	53 030	53 030

Special resolution 3: Additional Remuneration of non-executive directors for the financial year ending 2021

Special resolution 3.1: B Bulo - FY2021 Additional Remuneration

Resolved, in terms of the Company's MOI, that the additional remuneration to be paid, with effect from 1 March 2020 for the financial year ending 28 February 2021, to B Bulo, for her services as director of the board, be approved:

Annual totals Rands	2021 Approved fee	2021 Proposed fee
B Bulo*	-	418 182

* Appointed 1 February 2020

Special resolution 3.2: NM Phosa - FY2021 Additional Remuneration

Resolved, in terms of the Company's MOI, that the additional remuneration to be paid, with effect from 12 June 2020 for the financial year ending 28 February 2021, to NM Phosa, for his services as chairman of the Remuneration and Nomination committee, be approved

Annual totals Rands	2021 Approved fee	2021 Proposed additional fees	2021 Proposed fees total
NM Phosa**	664 247	56 968	721 215

** Appointed as Remuneration and nomination committee chairman effective 12 June 2020.

Special resolution 4: Remuneration of non-executive directors for financial year ended 2022

"Resolved, in terms of the Company's MOI, that the remuneration payable, with effect from 1 March 2021 for the financial year ending 29 February 2022, to the Company's non-executive directors for their services as directors and chairman of the board of directors, respectively, be set as follows:

Payable to non-executive directors	Proposed fee 2022 R
For participating in board committees	
Board	
CD Stein, chairman (shareholder meetings)	18 294
Board member	
CD Stein	45 735
NM Phosa	60 386
VW Mcobothi	25 276
B Bulo	19 273
Audit and risk committee	
CD Stein	45 735
VW Mcobothi	25 276
B Bulo	19 273
Remuneration and nomination committee	
CD Stein	22 868
NM Phosa	30 193
VW Mcobothi	12 638
Social and ethics committee	
VW Mcobothi	12 638
B Bulo	9 636
Monthly Retainer	
CD Stein	39 637
NM Phosa	25 161
VW Mcobothi	21 063
B Bulo	17 667
Annual Totals	
CD Stein	1 042 758
NM Phosa	724 633
VW Mcobothi	581 344
B Bulo	443 273

Special resolution 5: Authority to provide financial assistance

"Resolved that:

(i) for purposes of section 44 of the Act, the board of directors of the Company be and is hereby authorised, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution (subject to compliance with the requirements of the Company's constitutional documents and the Act, each as presently constituted and as amended from time to time), to grant direct or indirect financial assistance, as contemplated in section 44 of the Act, to any person or entity 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 option, or any securities of the Company or a related or inter-related company, on such terms and conditions as the board of directors of the Company deems fit; and

(ii) for purposes of section 45 of the Act, the board of directors of the Company be and is hereby authorised, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution (subject to compliance with the requirements of the Company's constitutional documents and the Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 45 of the Act, to a related or inter-related (as defined in section 1 of the Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation on such terms and conditions as the board of directors of the Company deems fit."

Explanatory note

To the extent necessary under sections 44 and 45 of the Act, to authorise the board of directors of the Company to provide financial assistance as contemplated under section 44 of the Act in connection with the issuance or purchase of any securities of the Company or any related or inter-related company and to authorise the board of directors of the Company to provide financial assistance as contemplated under section 45 of the Act to a related or inter-related (as defined in section 1 of the Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation.

The board will not authorise any financial assistance in terms of the above unless it has considered and is satisfied that:

(i) considering all reasonably foreseeable financial circumstances of the Company at that time, the Company will, immediately after providing the financial assistance, satisfy the solvency and liquidity test as required in terms of the Act;

(ii) the terms under which any financial assistance is proposed to be given are fair and reasonable to the Company; and

(iii) any conditions or restrictions in respect of the granting of any financial assistance as set out in the Company's memorandum of incorporation have been met.

This general authority is necessary, inter alia, for the Company to continue making loans to subsidiaries as well as granting letters of support, suretyships and guarantees in appropriate circumstances. A general authorisation from shareholders avoids the need to refer each instance to shareholders for approval with the resulting time delays and expense. If approved, this general authority will expire at the end of two years. It is, however, the intention to renew the authority annually at the annual general meeting.

Notifications

Shareholders are hereby notified in terms of section 45(5) of the Act that the board has passed a resolution substantially in the form of this special resolution to take effect on the passing of this special resolution by shareholders.

Shareholders are also advised that the board is satisfied that after providing the financial assistance, the Company will satisfy the solvency and liquidity tests and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

ADDITIONAL INFORMATION

The following additional information, some of which may appear elsewhere in the integrated annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution number 1:

- directors and management – pages 8 and 9;
- major shareholders – page 36;
- directors interests in ordinary shares – page 127; and
- share capital of the Company – page 106.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on pages 8 and 9 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's last financial year end and the date of signature of the integrated annual report.

RECORD DATE, ATTENDANCE AND VOTING

In terms of section 59(1)(a) and (b) of the Act, the board of the Company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the Company's securities register in order to receive notice of the AGM) as Friday, 14 August 2020;
- participate in, by way of electronic communication, and vote at the AGM (being the date on which a shareholder must be registered in the company's securities register in order to participate in and vote at the AGM) as Friday, 18 September 2020; and
- The last day to trade in order to participate and vote at the AGM is Tuesday, 15 September 2020.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you are entitled to participate and vote at the AGM by electronic communication. You will be required to pre-register by providing the Transfer Secretaries (Computershare Investor Services (Pty) Ltd, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold 2132), e-mail proxy@computershare.co.za, Tel: 011 370 5334), your details as well as an email address not later than 11:00 on Tuesday 22 September 2020, upon which they will be given further instructions on how to participate in the AGM by electronic communication and how to vote thereat
- alternatively, you may appoint a proxy to represent you at the AGM to be held by electronic communication by completing the attached Form of Proxy in accordance with the instructions it contains and returning it to the Transfer Secretaries, Computershare Investor Services (Pty) Ltd, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold 2132), e-mail proxy@computershare.co.za to be received not later than 11:00 on Tuesday 22 September 2020, for administrative purposes.

If you hold dematerialised ordinary shares which are not registered in your name:

- and wish to participate in the meeting, you must obtain the necessary letter of representation from your CSDP or broker. The relevant dematerialised shareholder must submit a copy of the aforementioned letter of representation, together with an email address, to the Transfer Secretaries of the company at any of the aforementioned addresses not later than 11:00 on Tuesday 22 September 2020, who will provide them with further instructions on how to participate in the General Meeting by electronic communication and how to vote thereat;
- and do not wish to participate in the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions;
- you must not complete the attached Form of Proxy.

A shareholder who is entitled to participate in and vote at the AGM is entitled, by completing the attached Form of Proxy and delivering it to the Company in accordance with the instructions on that Form of Proxy, to appoint a proxy to, participate, speak and vote by way of electronic communication at the AGM in that shareholder's place. A proxy need not be a shareholder of the company.

All AGM participants (including shareholders and proxies) may be required to provide satisfactory identification to the chairman of the AGM. Forms of identification include valid identity documents, passports and driver's licenses.

By order of the board

Crisna Erasmus

Group Secretary

FluidRock Co Sec Proprietary Limited

Johannesburg

6 August 2020

Registered office

49 Brewery Road, Isando 1601 (PO Box 778, Isando 1600)

Transfer Secretaries

Computershare Investor Services (Pty) Limited,
2nd Floor, Rosebank Towers,
15 Biermann Avenue, Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold 2132)

Annual general meeting - Explanatory notes

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

At the AGM, the directors must present the annual financial statements for the year ended 29 February 2020 to shareholders, together with the reports of the directors, the audit and risk committee and the auditors. These are contained within the integrated annual report

Ordinary resolutions 1.1 and 1.2: Election and re-election of directors

One third of the non-executive directors are required to retire at each AGM in accordance with the Company's MOI and may offer themselves for re-election. In addition, any person appointed to the board of directors following the previous AGM is similarly required to retire and is eligible for re-election at the next AGM.

The following directors are eligible for re-election:

- Dr NM Phosa
- Mr IM Groves, who has opted not to stand for re-election.

Ms B Bulo was appointed as independent non-executive director with effect from 1 February 2020, subject to her election at the AGM.

Brief biographical details of each of the above directors and the remaining members of the board are contained on pages 8 and 9 of the integrated annual report of which this notice forms part.

Ordinary resolutions 2.1 to 2.3: Appointment of members of the audit and risk committee

In terms of section 94(2) of the Act, a public company must at each AGM elect an audit and risk committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one third of the members of the audit and risk committee must have appropriate academic qualifications or experience in the areas as listed in the regulation. The board of directors of the Company are satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

Ordinary resolution 3: Reappointment of auditors

SVG, and the individually registered auditor, Mr E Steyn, have indicated their willingness to continue in office and ordinary resolution number 3 proposes the reappointment of that firm as the Company's auditors with effect from 1 March 2020. Section 90 of the Act requires the designated auditor to meet the criteria as set out in section 90 (2) and (3) of the Act.

The board of directors of the Company is satisfied that both SVG and the designated auditor meet the relevant requirements.

Ordinary resolution 4.1 and 4.2: Approval of remuneration policy and remuneration implementation report by way of a non-binding, advisory votes

King IV recommends that the remuneration policy and the remuneration implementation report of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration policy and the remuneration implementation report of the Company.

Ordinary resolutions 5 & 6: Authority to directors to allot and issue unissued ordinary shares and issue of shares for cash

In terms of the Act, directors are authorised to allot and issue the unissued shares of the Company, unless otherwise provided in the Company's MOI or in instances as listed in section 41 of the Act. The JSE requires that the MOI should provide that shareholders in a general meeting may authorise the directors to issue unissued securities and/or grant options to subscribe for unissued securities as the directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and are subject to the JSE Listings Requirements. The directors confirm that there is no specific intention to issue any shares or to dispose of shares held by subsidiaries, other than as part of and in terms of the rules of the Company's share incentive scheme, as at the date of this notice. For this reason, the maximum number of unissued shares that may be issued by the directors, or disposed of by subsidiaries, in terms of this authority is limited to 10% of the number of issued shares as at 29 February 2020 being 172 635 000.

Also, in terms of the JSE Listings Requirements, the authority to issue shares for cash, or to dispose of shares for cash held by subsidiaries as set out in ordinary resolution number 5 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for ordinary resolution number 5 to become effective.

Ordinary resolution 7: Providing signing authority

Authority is required to do all such things and sign all documents and take all such action as necessary to implement the resolutions set out in this notice and approved at the AGM. It is proposed that the company secretary and/or director be authorised accordingly.

General shareholders and proxies attending the AGM on behalf of shareholders are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

Special resolution 1: Authority to directors to repurchase Company shares

Section 48 of the Act authorises the board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the shareholders of the Company to approve the authority to repurchase shares and the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for special resolution number 1 to become effective.

Special resolution 2, 3 and 4: Approval of directors' remuneration

In terms of section 66(8) and section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and as such, the resolutions as included in the notice requests approval of the remuneration paid to non-executive directors for their services as directors of the Company.

This includes additional fees paid for the financial year ended 29 February 2020 and additional proposed fees payable for the financial year ending 28 February 2021, due to the appointment of B Bulo as independent non-executive director and NM Phosa's appointment as chairman of the remuneration and nomination committee. Proposed fees for the 2022 financial year have additionally been included in the resolution for approval by shareholders.

Non-executive directors who do not attend meetings forfeit the applicable meeting attendance fee.

Special resolution 5: Authority to provide financial assistance to any company or corporation which is related or inter-related to the Company

In terms of section 44 and 45 of the Act, companies may provide financial assistance to related companies. This is done after taking into consideration the solvency and liquidity of the Company and board approval, as required.

FORM OF PROXY

VALUE GROUP LIMITED

Value Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1997/002203/06
Share code: VLE
ISIN code: ZAE000016507
("Value" or "the Company")

To be completed by certificated shareholders and dematerialised shareholders with "own-name" registration only

FORM OF PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD AND CONDUCTED ENTIRELY BY ELECTRONIC COMMUNICATION AT 11:00 ON WEDNESDAY, 23 SEPTEMBER 2020.

Holders of dematerialised ordinary shares other than 'own name' registration must inform their CSDP or broker of their intention to participate electronically at the annual general meeting and request their CSDP to issue them with the necessary authorisation to participate in person or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented thereat.

For instructions on the use of this Form of Proxy and a summary of the rights of the shareholders and the proxy, please see the instructions and notes at the end of this Form of Proxy.

I/We (Please print)

of (address)

being the registered holder(s) of ordinary shares in the capital of the Company do hereby appoint

1. or failing him/ her

2. or failing him / her,

the chairman of the AGM as my/our proxy to participate in, speak and on a poll to vote or abstain from voting on my/our behalf at the AGM to be held at 11:00 on Wednesday, 23 September 2020 or at any adjournment thereof for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

	For	Against	Abstain
Ordinary Resolutions			
1. Approval of election and re-election of directors			
1.1. Election of Ms B Bulo			
1.2. Re-election of Dr NM Phosa			
2. Approval of election of audit and risk committee members:			
2.1 Mr VW Mcobothi			
2.2 Ms B Bulo* * Subject to election as director pursuant to ordinary resolution number 1.1			
2.3 Mr CD Stein			
3. Approval of re-appointment of SVG as external auditor			
4. Advisory endorsement of the remuneration policy and implementation report			
4. 1 Approval of the remuneration policy by way of a non-binding advisory vote			
4. 2 Approval of the remuneration implementation report by way of a non-binding advisory vote			
5. Approval of general authority to directors to allot and issue authorised but unissued ordinary shares			
6. Approval of general authority to allot and issue shares for cash			
7. Approval of signing authority			
Special Resolutions			
1. Approval of general authority to acquire (repurchase) Company shares			
2. Approval of the additional remuneration for Ms B Bulo for the financial year ended 29 February 2020			
3. Approval of the additional remuneration for the financial year ending 28 February 2021			
3.1 Ms B Bulo*			
3.2 Dr NM Phosa			
4. Approval of the remuneration of the non-executive directors for the financial year ending 28 February 2022			
5. Authority to provide financial assistance to any company or corporation which is related or inter-related to the Company.			

Please indicate with an 'X' in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Signed at: on 2020.

Full name(s) (in block letters)

Date:

Signature(s)

Assisted by me (where applicable)

INSTRUCTIONS AND NOTES TO FORM OF PROXY

1. This Form of Proxy is for use by certificated and dematerialised shareholders with own name registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the annual general meeting. If duly authorised, companies and other corporate bodies which are shareholders having shares registered in their own names may appoint a proxy using this form of proxy or may appoint a representative in accordance with the last paragraph below.

   Other shareholders should not use this Form of Proxy. All beneficial holders who have dematerialised their shares through a CSDP or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the annual general meeting by way of electronic communication, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker. The relevant dematerialised shareholder must submit a copy of the aforementioned letter of representation, together with an email address, to the Transfer Secretaries of the company at any of the aforementioned addresses who will provide them with further instructions on how to participate in the annual general meeting by electronic communication and how to vote thereat

2. This Form of Proxy must be received at the Transfer Secretaries, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, Republic of South Africa, not later than 11:00 on Tuesday 22 September 2020. If a shareholder does not wish to deliver this form to that address, it may also be posted at the risk of the shareholder to Private Bag X9000, Saxonwold, 2132 or sent by e-mail to proxy@computershare.co.za for administrative purposes, provided that any form of proxy not lodged with the Transfer Secretaries by this time may still be accepted at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.

3. This Form of Proxy shall apply to all the shares registered in the name of shareholders at the record date unless a lesser number of shares is inserted.

4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the annual general meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who participates at the annual general meeting by way of electronic communication will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him in this Form of Proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy of this Form of Proxy.

5. Unless revoked, the appointment of a proxy in terms of this Form of Proxy remains valid until the end of the annual general meeting even if the annual general meeting or part thereof is postponed or adjourned.

6. If:

   6.1 a shareholder does not indicate on this Form of Proxy that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or

   6.2 the shareholder gives contrary instructions in relation to any matter; or

   6.3 any additional resolution/s are properly put before the annual general meeting; or

   6.4 any resolution listed in the Form of Proxy is modified or amended;

   the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this Form of Proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:

   7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or

   7.2 the Company has already received a certified copy of that authority.

8. The chairman of the annual general meeting may, at his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by the chairman prior to the time when the annual general meeting deals with a resolution or matter to which the appointment of the proxy relates, if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.

9. Any alternations made in this Form of Proxy must be initialed by the authorised signatory/ies.

10. This Form of Proxy is revoked if the shareholder who granted the proxy:

    10.1 gives written notice of such revocation to the Company, so that it is received by the Company by not later than 11:00 on Tuesday 22 September 2020; or

    10.2 appoints another proxy for the annual general meeting; or

    10.3 attends the annual general meeting himself in person.

11. All notices which a shareholder is entitled to receive in relation to the Company shall continue to be sent to that shareholder and shall not be sent to the proxy.

12. A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the Company.

13. If duly authorised, companies and other corporate bodies which are shareholders having shares registered in their own name may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the annual general meeting by giving written notice of the appointment of that representative. This notice will not be effective at the annual general meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Transfer Secretaries at 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, not later than 11:00 on Tuesday 22 September 2020.

NOTES TO THE FORM OF PROXY (Continued)

Summary of rights established by section 58 of the Companies Act, as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company.
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)4)(a));
   - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
    - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
    - 10.2 the invitation or form of proxy instrument supplied by the Company must:
      - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
      - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b) (ii)); and
      - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
    - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
    - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

GRI CONTENT INDEX

	INDICATOR	DESCRIPTION	PAGE NO./ REFERENCE
STRATEGY	GRI 102-14	Statement from senior decision-maker about the relevance of sustainability to the organization and its strategy for addressing sustainability.	2 and 18
ORGANISATIONAL PROFILE	GRI 102-1	The reporting organization shall report the name of the organization.	Front cover
	GRI 102-2	Activities, brands, products, and services	7 and 11
	GRI 102-3	Location of the organization's headquarters.	Corporate information
	GRI 102-4	Number and name of countries where the organization operates and where it has significant operations.	7
	GRI 102-5	Nature of ownership and legal form.	116
	GRI 102-6	Markets served, including geographic locations where products and services are offered, sectors served and types of customers.	7 and 11
	GRI 102-7	Scale of the organisation, including:	
		• Total number of employees;	27
		• Total number of operations;	116
		• Net sales;	21
		• Total capitalization in terms of debt and equity; and	16
		• Quantity of services provided.	11
	GRI 102-8	Information on employees and other workers including:	
		• Total number of employees by employment contract, gender region;	27
		• Total number of employees by employment type;	27
		• Whether a significant portion of the organization's activities are performed by workers who are not employees;	27
		• Any significant variations in the numbers; and	28
		• An explanation of how the data have been compiled.	Internally generated reports
	GRI 102-41	Percentage of total employees covered by collective bargaining agreements.	29
	GRI 102-9	A description of the organization's supply chain.	6
	GRI 102-10	Significant changes to the organization's size, structure, ownership, or supply chain.	N/A
	GRI 102-11	Whether and how the organization applies the Precautionary Principle or approach.	2
	GRI 102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	The King IV code of governance principles, DTI codes of good practice
	GRI 102-13	Main memberships of industry or other associations, and national or international advocacy organizations.	
		• National bargaining council for the Road Freight and Logistics Industry	
		• Road Freight Association	
		• The South African Association of Freight Forwarders	

GRI CONTENT INDEX

	INDICATOR	DESCRIPTION	PAGE NO./ REFERENCE
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	GRI 102-45	Entities included in the consolidated financial statements	116
	GRI 102-46	Process for defining the report content and the topic Boundaries.	2
	GRI 102-47	List of material topics	3
	GRI 103-1	Explanation of the each material topic and its Boundary	2 and 3
	GRI 102-48	The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Restatements have been made for the effects of IFRS 16. Refer to note 1.2
	GRI 102-49	Changes in reporting	Restatements have been made for the effects of IFRS 16. Refer to note 1.2
STAKEHOLDER ENGAGEMENT	GRI 102-40	List of stakeholder groups	24
	GRI 102-42	The basis for identifying and selecting stakeholders with whom to engage.	24
	GRI 102-43	The organization's approach to stakeholder engagement.	24
	GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement.	24
REPORT PROFILE	GRI 102-50	Reporting period for the information provided.	Front cover
	GRI 102-51	Date of most recent previous report.	28 February 2019
	GRI 102-52	Reporting cycle	2
	GRI 102-53	Contact point for questions regarding the report	Corporate information
	GRI 102-54	Claims of reporting in accordance with the GRI Standards.	Core disclosures used but not stated as being in accordance
	GRI 102-55	The reporting organization shall report the GRI content index.	140 - 142
	GRI 102-56	The organization's policy and current practice with regard to seeking external assurance for the report.	2
GOVERNANCE	GRI 102-18	Governance structure of the organization, including committees of the highest governance body and committees responsible for decision-making on economic, environmental, and social topics.	37 - 41

GRI CONTENT INDEX

		INDICATOR	DESCRIPTION	PAGE NO./ REFERENCE
ETHICS AND INTEG-RITY		GRI 102-16	Values, principles, standards, and norms of behaviour	7
SPECIFIC STANDARD DISCLOSURES				
MATERIAL ASPECTS	ECONOMIC PERFOR-MANCE	GRI 103-1	Explanation of the material topic and its Boundary	2 and 3
		GRI 103-2	The management approach and its components	2 and 3
		GRI 103-3	Evaluation of the management approach	21 - 23 and 25
		GRI 201-1	Direct economic value generated and distributed	25
	ENERGY	GRI 103-1	Explanation of the material topic and its Boundary	2 and 3
		GRI 103-2	The management approach and its components	2 and 3
		GRI 103-3	Evaluation of the management approach	34 and 35
		GRI 302-1	Energy consumption within the organization	34 and 35
		GRI 302-4	Reduction of energy consumption	34 and 35
	EMPLOYMENT	GRI 103-1	Explanation of the material topic and its Boundary	2 and 3
		GRI 103-2	The management approach and its components	2 and 3
		GRI 103-3	Evaluation of the management approach	26
		GRI 401-1	Total number of new employee hires and turnover during the reporting period, by age group, gender and region.	28
		GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46 - 51
	LABOUR/ MANAGEMENT RELATIONS	GRI 103-1	Explanation of the material topic and its Boundary	2 and 3
		GRI 103-2	The management approach and its components	2 and 3
		GRI 103-3	Evaluation of the management approach	26 - 32
		GRI 402-1	Minimum notice periods regarding operational changes	28
	TRAINING AND EDUCATION	GRI 103-1	Explanation of the material topic and its Boundary	2 and 3
		GRI 103-2	The management approach and its components	2 and 3
		GRI 103-3	Evaluation of the management approach	30 - 31 and 45
		GRI 404-1	Average hours of training per year per employee	31
		GRI 404-2	Programs for upgrading employee skills and transition assistance programs	30 - 31 and 45
		GRI 404-3	Employees receiving regular performance and career development reviews	30 and 31

DEFINITIONS

Cash generated by operations	A measure of the amount of cash generated by the Group's normal business operations before finance income, finance cost, taxation and dividends.
Basic earnings per share	Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.
Dividends per share	Dividend per share is the sum of declared dividends issued by the Group for every ordinary share in issue.
Diluted basic earnings per share	Diluted basic earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.
Gross profit	Gross profit is the profit generated after deducting costs associated with the selling of products and services.
Headline earnings	A measure of the Group's earnings based only on operational and capital investment activities which excludes exceptional and once-off profits and losses
Headline earnings per share	Per share value of the headline earnings attributable to the ordinary shareholders of the Group
Net asset value per share	Total assets less total liabilities attributable to ordinary shareholders, divided by the number of ordinary shares in issue excluding treasury shares
Operating profit	A measure of profitability that indicates how much of each Rand of revenue is left after cost of sales and operating expenses, before finance income, finance cost and taxation.
Weighted average number of shares	The weighted average number of shares is a calculation that takes into consideration any changes in the number of issued ordinary shares over a specific reporting period
Asset-based interest bearing debt	The total amount of outstanding debt, excluding the effects of lease liabilities under IFRS 16.

CORPORATE INFORMATION

VALUE GROUP LIMITED – REGISTERED OFFICE

Incorporated in the Republic of South Africa
Registration number 1997/002203/06
ISIN code ZAE000016507
Share code VLE
49 Brewery Road
Isando, 1600
PO Box 778
Isando, 1600

SPONSOR

Investec Bank Limited
Registration number 1969/004763/06
100 Grayston Drive
Corner Rivonia Road
Sandown, Sandton, 2196
PO Box 785700
Sandton, 2146

AUDITORS

SVG
3rd Floor
35 Ferguson Road
Illovo, 2196
PO Box 821
Northlands, 2116

CENTRAL SECURITIES DEPOSITORY PARTICIPANT

Computershare Limited
Registration number 2000/006082/06
Rosebank Towers, 15 Biermann Ave,
Rosebank, Johannesburg, 2196

TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
Rosebank Towers, 15 Biermann Ave,
Rosebank, Johannesburg, 2196
Tel: 086 110 0933 / 011 370 5000
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COMPANY SECRETARY

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For questions regarding this integrated annual report, contact the Group reporting officer,
Ms K Moodley (011) 570 2281, kellenim@value.co.za

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