TIGER BRANDS

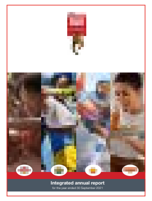
100 YEARS SINCE 1921

Annual financial statements

for the year ended 30 September 2021

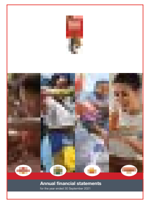
TIGER BRANDS' 2021 INTEGRATED REPORTING SUITE

Our 2021 integrated reporting process comprises the following reports:



› **Integrated annual report 2021:** Provides a succinct review of our strategy and business model, operating context, operational performance, and governance. Aimed primarily at investors, it is written for all stakeholders who have an interest in Tiger Brands' long-term performance.

› **Sustainability report 2021:** Reviews our performance in managing significant environmental, social and governance (ESG) impacts and addressing sustainability issues of interest to a broad range of stakeholders.



› **Annual financial statements 2021:** Comprehensive review of our financial results, with audited financial statements, prepared in accordance with IFRS.

These are all available at **www.tigerbrands.com**

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The preparation of the consolidated and separate annual financial statements for the year ended 30 September 2021, which appear on pages 1 to 97 has been supervised by Deepa Sita, chief financial officer CA(SA) of Tiger Brands Limited.

CONTENTS

ANNUAL FINANCIAL STATEMENTS

RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The directors of Tiger Brands Limited are responsible for the integrity of the annual financial statements of the company, consolidated subsidiaries, associates and the objectivity of other information presented in the integrated annual report. The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, an organisational structure which provides for delegation of authority and establishes clear responsibility, together with the constant communication and review of the operations' performance measured against approved plans and budgets.

Management and employees operate in terms of a code of ethics approved by the board. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

The financial statements, prepared in terms of International Financial Reporting Standards, are audited by our external auditors in conformity with International Standards on Auditing.

An audit committee of the board of directors, composed entirely of independent non-executive directors, meets periodically with our internal and external auditors as well as management to discuss internal financial controls and auditing and financial reporting matters. The auditors have unrestricted access to management, financial records as well as the audit committee.

The directors have no reason to believe that the group's operations will not continue as going concerns in the year ahead, other than where closures or discontinuations are anticipated, in which case provision is made to reduce the carrying cost of the relevant assets to net realisable value.

DIRECTORS' APPROVAL

The financial statements for the year ended 30 September 2021, which appear on pages 10 to 97 and are in agreement with the books of account at that date, were approved by the board of directors on 18 November 2021 and signed on its behalf by:

Geraldine Fraser-Moleketi
Chairman

Noel Doyle
Chief executive officer

18 November 2021

CERTIFICATE BY COMPANY SECRETARY

Certified in terms of section 88(2)(e) that the company has filed required returns and notices in terms of the Companies Act of South Africa, and that all such returns and notices appear to be true, correct and up to date.

Kgosi Monaisa
Company secretary

18 November 2021

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

The CEO and the CFO, hereby confirm that:

(a) the consolidated and separate annual financial statements set out on pages 10 to 97, fairly present in all material respects the financial position, financial performance and cash flows of Tiger Brands in terms of IFRS
(b) no facts have been omitted or untrue statements made that would make the financial statements false or misleading
(c) internal financial controls have been put in place to ensure that material information relating to Tiger Brands have been provided to effectively prepare the financial statements
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code™*. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Deepa Sita
Chief financial officer

Noel Doyle
Chief executive officer

18 November 2021

AUDIT COMMITTEE REPORT

The committee is constituted as a **statutory committee of Tiger Brands** in respect of its duties in terms of section 94(7) of the Companies Act of South Africa. The committee's activities are guided by a detailed charter informed by the Companies Act and King IV™* and the JSE Listings Requirements, which is reviewed and approved by the board annually.

The fundamental role of an audit committee is to assist the board in fulfilling its oversight responsibilities in areas of financial reporting, internal control systems and internal and external audit functions. The committee considers and evaluates the combined assurance framework and the assurance plans to ensure satisfactory coverage of risks that supports the control environment.

This report is provided by the audit committee appointed for the 2021 financial year.

The committee has executed its duties and responsibilities for the group's financial reporting practices, internal control environment and external auditing for the review period in line with its approved charter.

COMPOSITION

The committee comprises three independent non-executive directors, and its chairman is not the chairman of the board. Members and attendance are detailed in the integrated annual report.

Biographical details of members and fees are noted in the remuneration report of the integrated annual report.

AREAS OF FOCUS

External audit

The committee, among other matters:

- Nominated Ernst & Young Inc. to shareholders for appointment as the external auditor, with Ahmed Bulbulia as the designated auditor, for the financial year ended 30 September 2021. It ensured that the appointment complied with all applicable legal and regulatory requirements, and that the auditor and designated auditor are accredited by the JSE Limited
- Approved the external audit engagement letter, plan and budgeted audit fees. Fees paid to the auditor are detailed in note 4 of the group financial statements
- Reviewed the audit results, evaluated the effectiveness of the auditor and its independence, and evaluated the external auditor's internal quality-control procedures
- Considered the reports of the external auditor on the group's systems of internal control and financial controls
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services in line with the group's audit and non-audit services policy
- Obtained assurances from the external auditor that adequate accounting records were being maintained
- Considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No 26 of 2005, and determined that there were none
- Reviewed external auditor mandatory firm rotation effective 1 October 2022
- Reviewed JSE accreditation documentation and evaluated IRBA inspection and engagement findings, as well as related correspondence.

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Independence of the external auditor

The audit committee is satisfied that Ernst & Young Inc. is independent of the group after considering the following factors:

- Representations by Ernst & Young Inc. to the committee
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company
- Obtained an annual written statement from the auditor that its independence was not impaired. The auditor's independence was not impaired by any consultancy, advisory or any other work undertaken
- The auditors met, in all material respects, the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

Non-audit fees

The committee annually reviews and approves the list of non-audit services which the auditors are permitted to perform in line with the company's audit and non-audit services policy. There is a pre-approval process where all non-audit service engagements above a certain threshold must be approved by the group chief financial officer, and pre-approved by the chairman of the committee. If a higher threshold is to be applied it has to be approved by the entire committee. Quarterly, the cumulative spend for the year to date is presented to the committee to keep track of the non-audit spend and the nature of services. The 2021 non-audit fees were 3,2% of the audit fees. This is below the group's policy threshold of 5% of the audit fees, which is in place for non-audit services.

Financial statements

For the financial statements, the committee:

- Confirmed the going-concern requirement as the basis of preparing interim and annual financial statements
- Reviewed cash flow forecasts and determined that the capital and debt facilities of the group are adequate
- Examined and reviewed the interim and annual financial statements, as well as related SENS announcements disclosed to the public before submission to and approval by the board
- Ensured that the annual financial statements fairly present the financial position of the company and group at the end of the financial year
- Considered and reviewed accounting treatments and disclosures of significant transactions, particularly on the product recall and civil unrest
- Considered accounting judgements and the appropriateness of accounting policies adopted and any changes
- Reviewed prior year restatements
- Reviewed the external auditor's audit report including the key audit matters identified by the external auditors which are included in the Tiger Brands Limited annual financial statements. The committee considered the key audit matters as reported by the external auditors and satisfied itself with management's treatment and responses thereof
- Reviewed the representation letter from management in connection with audit of the consolidated and separate financial statements of the group
- Considered any issues identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- Met separately with management and external auditors to review and discuss the annual financial statements, the audit process and findings.

Internal controls and internal audit

For internal controls and internal audit, the committee:

- Reviewed and approved the internal audit charter and annual audit plan, including the annual budget and evaluated the independence
- Effectiveness and performance of the internal audit function and compliance with its charter
- Considered reports of the internal auditor on the group's systems of internal control and the enterprise risk management framework and process
- Received assurance that an adequate and effective system of internal control and risk management is being maintained
- Reviewed significant issues raised and assessed reports by internal and forensic audit functions and the adequacy of corrective action taken
- Assessed the performance and the arrangements of the internal audit function and found it to be in conformance to the International Standards for the Professional of Internal Auditing as issued by the Institute of Internal Auditors (IIA) standards. In addition, the committee is satisfied that the internal audit function is independently and appropriately resourced
- Reviewed the JSE control attestation to support the CEO and CFO
- Reviewed the report by internal audit on its assessment of the effectiveness of the internal controls and risk management, in accordance with King IV
- Reviewed ethics and whistle blowing reports to ensure effective actions are implemented.

The committee confirms it has no reason to believe there were any material breakdowns in the design and operating effectiveness of internal financial controls during the period that have not been addressed or are not being addressed by management.

AUDIT COMMITTEE REPORT continued

In terms of **risk management, information technology** and **sustainability**, the committee:
- Reviewed and assessed the risk management framework and practices for effective risk management
- Reviewed and assessed the information technology environment and the cyber security plan and found it to be effective and adequate
- Considered the reporting of the quarterly risk and sustainability meetings.
- Received the necessary assurances from management that material disclosures are reliable and do not conflict with financial information.

For **legal and regulatory requirements**, the committee:
- Reviewed and assessed the adequacy and effectiveness of the group's procedures to ensure compliance with legal and regulatory requirements
- Executed all duties as detailed in paragraph 3.84(g) of the JSE Listings Requirements
- Reviewed the JSE proactive monitoring reports and consider findings and recommendations for the group financial statements and integrated annual report
- Review IRBA inspection findings for application to the group financial statements an integrated annual report
- Considered reports provided by management, the internal auditor and external auditor on compliance with legal and regulatory requirements.

Combined assurance

There is an enterprise-wide system of internal control and risk management in all key operations to manage and mitigate risks. The combined assurance approach is integrated with the risk management process to assess assurance activities across the various lines of defence.

The committee considered and evaluated the combined assurance framework and the assurance plans to ensure satisfactory coverage of risks and supports the control environment.

Chief financial officer expertise and experience

The committee considered the expertise, resources and experience of the Chief financial officer, Deepa Sita, and concluded that this was appropriate.

In addition, the committee is satisfied with:
- The expertise, effectiveness and adequacy of resources with required capabilities in the finance function
- The experience, effectiveness, expertise and continuous professional development of senior members of the finance function.

BIOGRAPHICAL DETAILS APPEAR IN THE INTEGRATED ANNUAL REPORT.

Company secretary

The board is satisfied that Advocate Kgosi Monaisa has the necessary skills, experience and qualifications to discharge his duties.

All directors have unlimited access to the services of the company secretary, who is responsible to the board for ensuring compliance with corporate governance and other statutory requirements are adhered to and compiled with.

The company secretary also ensures the proper administration of proceedings and matters relating to the board, the company and shareholders in line with applicable legislation. He is responsible for director training and induction, as well as the annual board evaluation.

The committee confirms that the company secretary maintains an arm's length relationship with the board and directors, taking into account that the company secretary is not a director of the company nor related to any directors.

ANNUAL FINANCIAL STATEMENTS

Following its review of the annual financial statements of Tiger Brands Limited for the year ended 30 September 2021, the committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and International Financial Reporting Standards (IFRS) and fairly present the annual financial statements of the company and group for the year ended 30 September 2021. The committee has also satisfied itself on the integrity of the integrated annual report for the year ended 30 September 2021.

Having achieved its objectives, the audit committee recommended the annual financial statements and integrated report for approval by the board. The board has since approved the annual financial statements and integrated report 2021, which will be open for discussion at the upcoming annual general meeting.

On behalf of the committee

Cora Fernandez
Chairman – audit committee

18 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TIGER BRANDS LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Tiger Brands Limited and its subsidiaries (the group) and company set out on pages 10 to 93 which comprises the consolidated and separate statements of financial position as at 30 September 2021, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 September 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Key audit matters

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

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

INDEPENDENT AUDITOR'S REPORT continued

Key audit matter and audit consideration	How the matter was addressed in the audit
REVENUE RECOGNITION **Rebates and incentives** As described in the accounting policy notes and reflected in notes 2, 21 and 25 to the group financial statements, revenue is measured at the fair value of the consideration received/receivable excluding normal discounts, rebates, settlement discounts and promotional allowances (rebates and incentives), which are earned by customers on the group's sales.	Our audit procedures included: • Considering the appropriateness of the group's revenue recognition accounting policies including those relating to rebates and incentives • We tested the effectiveness of the group's controls over the calculation of rebates and incentives and the correct timing of revenue recognition and measurement.
Rebates and incentives are a key audit matter as the final amount due to each customer that is eligible for a rebate and incentive is considered to be complex and requires significant judgement and estimation by management each year in establishing an appropriate accrual for rebates and incentives earned at the year end due to the varying terms given to different customers. This is due to the operational, supply and market share metrics which vary annually and are used in the final estimation of the rebates and incentives due to each customer. The majority of these rebates and incentives tend to be low in unit value but based on high volume. The agreements include those which span the financial year end of the group, and to a lesser extent certain rebates and incentives which are based on a calendar year. Most rebates and incentives are calculated and based on a quarter period end, hence at the end of the financial year an accrual is required. The contractual terms allow a customer to claim most rebates and incentives within a specified period, the accrual at year end reflects the rebates and incentives earned. Additionally, trade terms were restructured in the current financial year which resulted in more than one rebates and incentives contract being applicable to a customer for certain periods within the financial year. This resulted in complexities in the calculation as the net invoice sales (NIS) and rebate percentages needed to be disaggregated to reflect the appropriate period for which the contract was relevant.	Our audit procedures in respect of the variable consideration recognised against revenue and rebates and incentives accrual included the following, based on our materiality: • On a sample basis, based on the high-value rebates and incentives paid, we inspected the terms in the agreement and agreed them to inputs used in the calculation • Using data extraction tools, we agreed the sales volumes used in the calculation to those per the accounting records and considered whether the amounts being used in the calculation related to the correct period per the agreement and recalculated the rebates and incentives due to each customer based on its contractual terms • We developed an independent expectation of the estimated rebates and incentives due to each customer based on actual sales year to date and operational, supply and customer market share metrics. We then compared this expectation to actual results. Where our recalculation based on the contractual terms and estimation based on sales year to date and operational, supply and customer market share metrics differed to management's final accrual, we obtained support for the differences to vouch their validity • We tested the arithmetical accuracy of the management calculation and agreed the amount calculated to the amount recognised in the financial statements • We tested the prior period accrual to actual payments made to customers in the current year to assess the historical accuracy of managements estimation process for rebates and incentives • In addition, we tested the validity of the amounts payable at the year end by agreeing the amounts to subsequent payment to customers where these had been completed by the date of our audit report • Considered the adequacy and accuracy of disclosure in the financial statements.
Allocation of rebates and incentives The rebates and incentives accrual is to be recognised only to the extent that the customer has settled their invoice. Rebates and incentives relating to outstanding invoices are to be set off against the trade receivables balance and not recognised as an accrual.	Our audit procedures in respect of the allocation of rebates and incentives from trade payables to receivables included the following: • We performed an independent recalculation using the average trade spend percentage against the outstanding invoices at year end • We performed a reasonability assessment on the VAT percentages and adjustments for settlement discounts • We tested the arithmetical accuracy of the management's calculation and agreed the amount calculated to the amount recognised in the financial statements • Considered the adequacy and accuracy of disclosure in the financial statements.

Key audit matter and audit consideration	How the matter was addressed in the audit
Product recall As described in note 3 to the group financial statements, the company initiated a product recall on selected canned products within the Groceries business over safety concerns linked to defective cans. The defect was due to a deficient side-seam weld that could cause cans to leak. Customer refunds related to the product recall have been accounted for as a reduction in revenue. The write-off of inventory through cost of sales, while other related costs have been accounted for through the relevant expense functions in the income statement.	Our audit procedures in respect of the product recall included the following: • Involving our financial reporting specialists to determine the accounting treatment and related disclosures with respect to the product recall • We verified the existence of the defective cans through identifying the sites where the cans were being held and obtaining external confirmations from the third-party managed sites as well as by attending the stock counts at these sites • We recalculated the weighted average price per can, as well as ensured that the sales prices and trade spend rebates used in the calculation to reduce revenue were accurate and consistent with the revenue recognition principles • We assessed the reasonability and accuracy of the inputs used in the calculations in determining the provision for the defective cans to ensure the accuracy of the charge recognised in cost of sales • We tested a sample of the destruction and transport costs relating to the defective cans and traced these costs to the respective supporting documents • We assessed the reasonability and accuracy of the inputs and calculations for the provisions for destruction and transport costs recognised in other operating costs • Considered the adequacy and accuracy of disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 99 page document titled "Tiger Brands Limited annual financial statements for the year ended 30 September 2021", which includes the directors' approval, the certificate by company secretary and the audit committee report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 and separate 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 and separate 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 and separate financial statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT continued

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 and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- 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 and company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 and separate 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, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Tiger Brands Limited for 18 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Ahmed Bulbulia
Registered Auditor
Chartered Accountant (SA)

18 November 2021

102 Rivonia Road
Sandton
Johannesburg

STATUTORY INFORMATION

for the year ended 30 September 2021

AUTHORISED AND ISSUED SHARE CAPITAL

Details of authorised and issued share capital are set out in note 22 of the financial statements and in the statements of changes in equity on pages 13 and 14.

SUBSIDIARIES, ASSOCIATES AND INVESTMENTS

Financial information concerning the principal subsidiaries, associates and investments of Tiger Brands Limited are set out in Annexure A and B of the financial statements.

DIVIDENDS

Details of dividends declared and paid during the year are outlined in note 11 to the financial statements.

MAJOR SHAREHOLDERS

Details of the registered and beneficial shareholders of the company are outlined on page 99 of the financial statements.

DIRECTORS

The following movements in the directorate were recorded during the year under review:

APPOINTMENT

1 October 2020 Deepa Sita

RESIGNATIONS

24 June 2021 Ian Burton

RETIRED

17 February 2021 Makhup Nyama
31 December 2020 Khotso Mokhele

THE NAMES OF THE DIRECTORS WHO PRESENTLY HOLD OFFICE ARE SET OUT IN THE INTEGRATED ANNUAL REPORT.

No director holds 1% or more of the ordinary shares of the company. The directors of the company beneficially hold, directly and indirectly, 12 775 ordinary shares of its issued ordinary shares.

The register of interests of directors in shares of the company is available to the members on request.

Details of the directors' shareholding (direct and indirect beneficial) are reflected below.

	2021		2020	
Name of director	**Direct number of shares**	**Indirect number of shares**	**Direct number of shares**	**Indirect number of shares**
NP Doyle	**12 775**	**–**	12 775	–

There were no changes to the direct and indirect beneficial interests of directors from 30 September 2021 to the date the integrated annual report was released.

AMERICAN DEPOSITORY RECEIPT FACILITY

With effect from 9 September 1994, a sponsored American Depository Receipt (ADR) facility was established. This ADR facility is sponsored by the Bank of New York Mellon and details of the administrators are reflected under company information.

PENSION ASSET AND POST-RETIREMENT MEDICAL AID OBLIGATIONS

Details in respect of the pension asset and post-retirement medical aid obligations of the group are set out in notes 30 and 31 and Annexure E and F of the financial statements.

INSURANCE AND RISK MANAGEMENT

The group's practice regarding insurance includes an annual assessment, in conjunction with the group's insurance brokers, of the risk exposure relative to assets and possible liabilities arising from business transactions. In addition, the group's insurance programme is monitored by the risk and sustainability committee.

All risks are considered to be adequately covered, except political risks in the case of which as much cover as is reasonably available has been arranged. Self-insurance programmes are in operation covering primary levels of risk at a cost more advantageous than open-market premiums. Regular risk management audits are conducted by the group's risk management consultants, whereby improvement areas are identified and resultant action plans implemented accordingly. Assets are insured at current replacement values.

INCOME STATEMENTS

for the year ended 30 September 2021

COMPANY 2021	COMPANY Restated* 2020	(R'million)	Notes	GROUP 2021	GROUP Restated* 2020
		Continuing operations			
1 821,6	1 199,7	**Total revenue**	2	**30 953,9**	29 796,1
1 821,6	1 199,7	Revenue		**31 208,8**	29 796,1
		Impact of product recall	3.1	**(254,9)**	
		Total cost of sales		**(22 143,7)**	(20 837,4)
		Cost of sales		**(21 750,2)**	(20 837,4)
		Impact of product recall	3.1	**(308,3)**	
		Impact of civil unrest	3.2	**(85,2)**	
1 821,6	1 199,7	**Gross profit**		**8 810,2**	8 958,7
		Sales and distribution expenses		**(4 047,8)**	(3 899,2)
		Marketing expenses		**(905,5)**	(821,2)
(49,8)	(18,2)	Other operating expenses		**(1 673,1)**	(1 642,6)
19,6	(16,2)	Expected credit loss reversed/(raised)		**51,7**	(118,2)
1 791,4	1 165,3	**Operating income before impairments and non-operational items**	4	**2 235,5**	2 477,5
–	(993,7)	Impairments and fair value losses	6	**(154,2)**	(485,2)
1 791,4	171,6	**Operating income after impairments**		**2 081,3**	1 992,3
–	–	Non-operational items	7	**27,2**	33,9
1 791,4	171,6	**Profit including non-operational items**		**2 108,5**	2 026,2
		Finance costs	8.1	**(57,0)**	(110,8)
24,9	27,0	Finance income	8.2	**2,8**	14,2
(15,9)	(8,6)	Foreign exchange (loss)/profit	8.3	**(8,7)**	40,1
		Investment income		**17,8**	15,4
		Income from associated companies	15.2	**345,9**	352,4
–	(74,7)	Impairment of investment in associated company	15.3	**–**	(117,7)
43,6	–	(Loss)/profit on disposal of investment in associated company	15.4	**(10,8)**	–
1 844,0	115,3	**Profit before taxation**		**2 398,5**	2 219,8
(9,7)	(21,3)	Taxation	9	**(596,7)**	(726,7)
1 834,3	94,0	**Profit for the year from continuing operations**		**1 801,8**	1 493,1
		Discontinued operations			
		Profit/(loss) for the year from discontinued operations	35	**119,8**	(453,2)
		Profit for the year		**1 921,6**	1 039,9
		Attributable to:			
1 834,3	94,0	Owners of the parent		**1 893,1**	1 014,3
		— Continuing operations		**1 773,3**	1 467,5
		— Discontinued operations		**119,8**	(453,2)
		Non-controlling interest		**28,5**	25,6
		— Continuing operations		**28,5**	25,6
1 834,3	94,0			**1 921,6**	1 039,9
		Basic earnings per ordinary share (cents)		**1 142,3**	612,2
		— Continuing operations		**1 070,0**	885,7
		— Discontinued operations		**72,3**	(273,5)
		Diluted basic earnings per ordinary share (cents)		**1 130,0**	607,5
		— Continuing operations		**1 058,5**	879,0
		— Discontinued operations		**71,5**	(271,5)
		Headline earnings per share is disclosed in note 10.			

* *Restated as required in line with the presentation requirements of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2021

COMPANY 2021	COMPANY 2020	(R'million)	Note	GROUP 2021	GROUP 2020
1 834,3	94,0	**Profit for the year**		**1 921,6**	1 039,9
(0,8)	(1,4)	Other comprehensive (loss)/income, net of tax		**(329,3)**	111,1
		Net (loss)/gain on hedge of net investment in foreign operation[1]		**(8,7)**	28,7
		Foreign currency translation (FCTR) adjustments[1]		**(180,2)**	56,3
		Share of associates' other comprehensive (loss)/income and FCTR[1]		**(156,0)**	46,2
		Net gain/(loss) on cash flow hedges[1]		**5,8**	(18,7)
(0,8)	(1,4)	Net gain/(loss) on FVOCI* financial assets[1]		**20,3**	(46,0)
		Remeasurement raised in terms of IAS 19R[2]		**(30,3)**	58,6
		Tax effect	24	**19,8**	(14,0)
1 833,5	92,6	**Total comprehensive income for the year, net of tax**		**1 592,3**	1 151,0
		Attributable to:			
1 833,5	92,6	Owners of the parent		**1 584,7**	1 104,8
		Non-controlling interests		**7,6**	46,2
1 833,5	92,6			**1 592,3**	1 151,0

* *FVOCI – Fair value through other comprehensive income.*

[1] *Items that may be subsequently reclassified to profit or loss including the related tax effects, with the exception of R19,3 million loss (2020: R0,1 million loss) relating to the share of associates' other comprehensive income, and fair value gains/(losses) on equity instruments measured at FVOCI.*

[2] *Comprises a net actuarial loss of R21,2 million (2020: R42,3 million gain) and unrecognised loss due to asset ceiling of R9,1 million (2020: R16,3 million gain).*

STATEMENTS OF FINANCIAL POSITION

as at 30 September 2021

COMPANY				GROUP		
2021	**2020**	**(R'million)**	**Note Annexures**	**2021**	**Restated# 2020**	**Restated# 2019**
		ASSETS				
		Non-current assets				
		Property, plant and equipment	12	**5 481,3**	5 059,4	4 976,4
		Goodwill	13	**1 179,9**	1 198,0	1 477,4
		Intangible assets	13	**1 728,7**	1 745,5	1 744,4
2 411,4	2 411,4	Interest in subsidiary companies	A			
2 944,1	2 924,9	Amounts owed by subsidiaries	34			
2 409,9	2 404,7	Investments		**3 046,8**	2 854,8	2 731,7
97,1	193,5	Investments in associated companies	15	**2 400,7**	2 440,8	2 274,1
2 214,7	2 208,7	Other investments	16	**601,8**	383,7	429,0
98,1	2,5	Loans	17	**44,3**	30,3	28,6
		Deferred taxation asset	18	**33,6**	22,4	13,7
273,9	310,0	**Current assets**		**11 361,6**	10 617,9	10 814,9
		Inventories	19	**5 904,7**	5 324,9	5 501,7
1,0	3,7	Trade and other receivables	20	**3 295,1**	3 503,0	3 589,3
51,6	130,7	Amounts owed by subsidiaries	34			
221,3	175,6	Cash and cash equivalents		**2 161,8**	1 790,0	1 723,9
		Assets classified as held for sale	36	**–**	419,2	23,5
8 039,3	8 051,0	**Total assets**		**22 831,9**	21 917,2	21 782,0
		EQUITY AND LIABILITIES				
7 947,3	7 986,7	**Issued capital and reserves**		**15 555,0**	15 628,1	15 244,4
142,0	142,0	Ordinary share capital and share premium	22	**142,0**	142,0	142,0
2 939,3	2 940,1	Non-distributable reserves		**3 094,4**	3 173,4	2 886,9
4 256,9	4 301,8	Accumulated profits		**13 812,6**	13 825,1	13 784,9
		Tiger Brands Limited shares held by subsidiary	23	**(718,0)**	(718,0)	(718,0)
		Tiger Brands Limited shares held by empowerment entities	23	**(1 475,5)**	(1 481,8)	(1 483,6)
609,1	602,8	Share-based payment reserve	29	**699,5**	687,4	632,2
		Non-controlling interests		**147,4**	159,3	163,1
7 947,3	7 986,7	**Total equity**		**15 702,4**	15 787,4	15 407,5
5,2	5,2	**Non-current liabilities**		**1 145,9**	1 074,6	998,6
5,2	5,2	Deferred taxation liability	18	**183,1**	359,5	415,8
		Post-retirement medical aid obligations	31	**563,8**	517,9	582,8
		Long-term borrowings	27	**399,0**	197,2	–
86,8	59,1	**Current liabilities**		**5 983,6**	4 751,3	5 226,7
37,9	27,0	Trade and other payables	25	**5 131,5**	4 092,8	4 106,1
		Employee-related accruals	26	**527,1**	453,9	548,2
		Taxation		**156,7**	63,6	53,4
		Short-term borrowings	27	**168,3**	141,0	519,0
48,9	32,1	Amounts owed to subsidiaries	34			
		Liabilities directly associated with assets classified as held for sale	36	**–**	303,9	149,2
8 039,3	8 051,0	**Total equity and liabilities**		**22 831,9**	21 917,2	21 782,0

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2021

		Non-distributable reserves					
(R'million)	**Share capital and premium**	**Non-distributable reserves**	**Other capital reserves**	**FVOCI financial assets**	**Accumulated profits**	**Share-based payment reserve**	**Total attributable to owners of the parent**
COMPANY							
Balance at 1 October 2019	142,0	2 918,6	19,3	3,6	5 031,6	582,8	8 697,9
Profit for the year	–	–	–	–	94,0	–	94,0
Other comprehensive loss for the year	–	–	–	(1,4)	–	–	(1,4)
Total comprehensive (loss)/income	–	–	–	(1,4)	94,0	–	92,6
Share-based payment	–	–	–	–	–	20,0	20,0
Dividends on ordinary shares	–	–	–	–	(823,8)	–	(823,8)
Balance at 30 September 2020	**142,0**	**2 918,6**	**19,3**	**2,2**	**4 301,8**	**602,8**	**7 986,7**
Profit for the year	**–**	**–**	**–**	**–**	**1 834,3**	**–**	**1 834,3**
Other comprehensive loss for the year	**–**	**–**	**–**	**(0,8)**	**–**	**–**	**(0,8)**
Total comprehensive (loss)/income	**–**	**–**	**–**	**(0,8)**	**1 834,3**	**–**	**1 833,5**
Share-based payment	**–**	**–**	**–**	**–**	**–**	**6,3**	**6,3**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**(1 879,2)**	**–**	**(1 879,2)**
Balance at 30 September 2021	**142,0**	**2 918,6**	**19,3**	**1,4**	**4 256,9**	**609,1**	**7 947,3**
Notes	22					29	

STATEMENTS OF CHANGES IN EQUITY continued

for the year ended 30 September 2021

(R'million)	Share capital and premium	Non-distributable reserves: Share of net earnings of associates	Non-distributable reserves: Other capital reserves	Non-distributable reserves: Cash flow hedge reserve	Non-distributable reserves: FVOCI financial assets	Non-distributable reserves: Foreign currency translation reserve	Accumulated profits	Shares held by subsidiary and empowerment entities	Share-based payment reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
GROUP												
Balance at 1 October 2019	142,0	2 978,5	(3,9)	21,7	67,8	(177,2)	13 784,9	(2 201,6)	632,2	15 244,4	163,1	15 407,5
Profit for the year	–	–	–	–	–	–	1 014,3	–	–	1 014,3	25,6	1 039,9
Other comprehensive (loss)/income for the year	–	–	–	(13,7)	(40,6)	102,6	42,2	–	–	90,5	20,6	111,1
Total comprehensive (loss)/income	–	–	–	(13,7)	(40,6)	102,6	1 056,5	–	–	1 104,8	46,2	1 151,0
Change in reserve due to adoption of IFRS 16[1]	–	–	–	–	–	–	(43,4)	–	–	(43,4)	–	(43,4)
Transfers between reserves	–	238,2	–	–	–	–	(233,1)	–	(5,1)	–	–	–
Share-based payment[2]	–	–	–	–	–	–	–	–	60,3	60,3	–	60,3
Dividends on ordinary shares	–	–	–	–	–	–	(739,8)	–	–	(739,8)	(50,0)	(789,8)
Total dividends	–	–	–	–	–	–	(799,7)	–	–	(799,7)	(50,0)	(849,7)
Less: Dividends on empowerment shares	–	–	–	–	–	–	59,9	–	–	59,9	–	59,9
Sale of empowerment shares[3]	–	–	–	–	–	–	–	1,8	–	1,8	–	1,8
Balance at 30 September 2020	**142,0**	**3 216,7**	**(3,9)**	**8,0**	**27,2**	**(74,6)**	**13 825,1**	**(2 199,8)**	**687,4**	**15 628,1**	**159,3**	**15 787,4**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**1 893,1**	**–**	**–**	**1 893,1**	**28,5**	**1 921,6**
Other comprehensive income/(loss) for the year[4]	**–**	**–**	**–**	**4,1**	**16,8**	**(318,6)**	**(10,7)**	**–**	**–**	**(308,4)**	**(20,9)**	**(329,3)**
Total comprehensive *income/(loss)*	**–**	**–**	**–**	**4,1**	**16,8**	**(318,6)**	**1 882,4**	**–**	**–**	**1 584,7**	**7,6**	**1 592,3**
Transfers between reserves	**–**	**218,7**	**–**	**–**	**–**	**–**	**(211,3)**	**–**	**(7,4)**	**–**	**–**	**–**
Share-based payment[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,5**	**19,5**	**–**	**19,5**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**–**	**–**	**(1 683,6)**	**–**	**–**	**(1 683,6)**	**(19,5)**	**(1 703,1)**
Total dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(1 819,7)**	**–**	**–**	**(1 819,7)**	**(19,5)**	**(1 839,2)**
Less: Dividends on empowerment shares	**–**	**–**	**–**	**–**	**–**	**–**	**136,1**	**–**	**–**	**136,1**	**–**	**136,1**
Sale of empowerment shares[3]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,3**	**–**	**6,3**	**–**	**6,3**
Balance at 30 September 2021	**142,0**	**3 435,4**	**(3,9)**	**12,1**	**44,0**	**(393,2)**	**13 812,6**	**(2 193,5)**	**699,5**	**15 555,0**	**147,4**	**15 702,4**
Notes	22	15						23	29			

[1] *Retained earnings adjustment resulting from the modified retrospective approach relating to IFRS 16.*

[2] *Included in the movement of the share-based payment are options exercised amounting to R17,9 million (2020: R9,1 million).*

[3] *Relates to the exercising of options vested post the December 2014 lock-in period in terms of the Black Managers Participation Right Scheme (BMT). In the current year, R6,3 million (2020: R1,8 million) related to BMT I.*

[4] *Following the closure of Deli Foods Nigeria Limited (Deli Foods) and the disposal of the UAC Foods Nigeria (UAC) associate investment, the foreign currency translation reserves have been released/charged to the income statement. This is in line with IAS 21, which requires the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity, to be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal of the foreign operation is recognised. The gain recognised in the income statement relating to Deli Foods amounted to R92,7 million and the loss relating to UAC amounted to R47,7 million.*

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2021

COMPANY				GROUP	
2021	**2020**	**(R'million)**	**Notes**	**2021**	**2020**
101,4	0,6	Cash operating profit	A	**3 845,0**	3 005,7
–	(4,3)	Working capital changes	B	**109,8**	(52,5)
101,4	(3,7)	**Cash generated from operations**		**3 954,8**	2 953,2
3,4	7,5	Finance income and income from investments received		**30,6**	27,4
–	–	Finance costs paid		**(68,4)**	(116,0)
1 570,0	892,1	Dividends received from associated companies and subsidiaries		**115,4**	105,5
(8,6)	(20,9)	Taxation paid	C	**(735,4)**	(620,3)
1 666,2	875,0	**Cash available from operations**		**3 297,0**	2 349,8
(1 879,2)	(823,8)	Dividends paid	D	**(1 684,3)**	(740,6)
(213,0)	51,2	**Net cash inflow/(outflow) from operating activities**		**1 612,7**	1 609,2
		Purchase of property, plant and equipment	E	**(1 013,7)**	(937,1)
		Cash on disposal of division (refer note 35)		**153,0**	100,0
138,9		Proceeds on disposal of investment in associated company		**139,9**	–
		Proceeds on disposal of intangible assets		**56,0**	0,3
		Proceeds on disposal of property, plant and equipment		**30,8**	49,8
		Proceeds on disposal of investments		**0,3**	–
1,5		Loans (advanced)/repaid		**(26,0)**	(20,0)
118,9	57,7	Proceeds on loans to subsidiaries and other			
		Funds held in escrow		**(196,1)**	–
		Proceeds on disposal of shares in held-for-sale investment		**–**	9,9
(0,6)	(0,7)	Acquisition of investments		**–**	–
258,7	57,0	**Net cash (outflow)/inflow from investing activities**		**(855,8)**	(797,1)
45,7	108,2	**Net cash inflow before financing activities**		**756,9**	812,1
		Black Managers Trust (BMT) shares exercised		**3,5**	3,9
		Shares exercised relating to equity-settled scheme		**(17,9)**	(9,1)
		Repayment of principal portion of lease liabilities		**(216,7)**	(136,6)
		Short-term borrowings repaid		**(14,2)**	(104,0)
		Net cash outflow from financing activities		**(245,3)**	(245,8)
45,7	108,2	**Net increase in cash and cash equivalents**		**511,6**	566,3
–	–	Effect of exchange rate changes on cash and cash equivalents		**(129,3)**	51,5
175,6	67,4	Cash and cash equivalents at the beginning of the year	F	**1 779,5**	1 161,7
221,3	175,6	**Cash and cash equivalents at the end of the year**	G	**2 161,8**	1 779,5

NOTES TO THE STATEMENTS OF CASH FLOWS

for the year ended 30 September 2021

COMPANY					GROUP	
2021	**2020**		**(R'million)**	**Notes**	**2021**	**Restated*# 2020**
		A	**Cash operating profit**			
			Operating profit before impairment and non-operational items			
1 791,4	1 165,3		– Continuing operations		**2 235,5**	2 477,5
			– Discontinued operations		**19,1**	(503,1)
			Adjusted for:			
			Depreciation		**799,0**	780,0
(19,6)	16,2		Expected credit losses		**(51,7)**	118,2
			Share-based payment expenses		**41,3**	66,1
			Amortisation		**8,6**	9,3
			Loss on disposal/write-offs of property, plant and equipment		**22,2**	6,5
(1 671,0)	(1 184,5)		Dividends received from associated companies and subsidiaries			
			Post-retirement medical aid and pension fund obligations		**6,9**	(3,0)
			Restructuring and related costs		**2,4**	45,5
			Legal settlement		**–**	19,4
			Impact of civil unrest		**85,2**	–
			Impact of product recall		**646,8**	–
			Early settlement of lease liability		**29,7**	(10,7)
0,6	3,6		Other non-cash items		**–**	–
101,4	0,6		Cash operating profit		**3 845,0**	3 005,7
		B	**Working capital changes**			
			(Increase)/decrease in inventories		**(1 001,7)**	60,3
–	(3,5)		Decrease/(increase) in trade and other receivables		**348,9**	307,0
–	(0,8)		Increase/(decrease) in trade and other payables		**762,6**	(419,8)
–	(4,3)		Working capital changes		**109,8**	(52,5)
		C	**Taxation paid**			
2,1	2,5		Amounts (payable)/receivable at beginning of the year, net		**(61,7)**	(12,8)
			Income statement charge			
(9,7)	(21,3)		– Continuing operations	9	**(596,7)**	(726,7)
			– Discontinued operations	35	**(20,8)**	155,8
			Deferred tax	18	**(169,4)**	(91,1)
			Exchange rate difference and other non-cash items		**2,7**	(7,2)
(1,0)	(2,1)		Amounts payable/(receivable) at the end of year, net		**110,5**	61,7
(8,6)	(20,9)		Taxation paid		**(735,4)**	(620,3)
		D	**Dividends paid**			
(1 879,2)	(823,8)		Per statement of changes in equity		**(1 683,6)**	(739,8)
			Dividends paid to outside shareholders		**(0,7)**	(0,8)
(1 879,2)	(823,8)		Dividends paid		**(1 684,3)**	(740,6)
		E	**Purchase of property, plant, equipment**			
			Replacement		**(762,2)**	(658,8)
			Expansion		**(251,5)**	(278,3)
					(1 013,7)	(937,1)
		F	**Cash and cash equivalents at the beginning of the year**			
175,6	67,4		Cash resources		**1 790,0**	1 723,9
			Short-term borrowings regarded as cash and cash equivalents		**(2,0)**	(518,5)
			Discontinued operations		**(8,5)**	(43,7)
175,6	67,4				**1 779,5**	1 161,7
		G	**Cash and cash equivalents at the end of the year**			
221,3	175,6		Cash resources		**2 161,8**	1 790,0
			Short-term borrowings regarded as cash and cash equivalents		**–**	(2,0)
			Discontinued operations		**–**	(8,5)
221,3	175,6				**2 161,8**	1 779,5

* *Restated as required in line with the presentation requirement of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*
\# *Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).*

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Corporate information

The financial statements of Tiger Brands Limited (the company) and the Tiger Brands group (the group) for the year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 18 November 2021. Tiger Brands Limited is incorporated and domiciled in South Africa, where the shares are publicly traded.

Basis of preparation

The consolidated and separate financial statements have been prepared on the historical-cost basis and the going-concern basis, except for items measured at fair value as indicated below and the going-concern basis, and in accordance with the JSE Listings Requirements. The financial statements are stated in millions.

The prior year income statement and balance sheet has been restated to better reflect the requirements of IAS 1 and IFRS 15, respectively. The income statement has been restated to align with the presentation requirements of IAS 1. The balance sheet has been restated for a prior year reclassification error in terms of IFRS 15. Refer note 21 for further details.

Statement of compliance

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries (as well as structured entities controlled by the group or company). All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period using consistent accounting policies. Where the financial year end of a subsidiary is not coterminous with that of the group or the accounting policies adopted by the subsidiary differ from the group's accounting policies, the financial statements of the subsidiary are adjusted in accordance with the group's accounting policies and year end.

In assessing control (direct or de facto control) the following is considered:

› Power over the investee
› Exposure, or rights, to variable returns from its involvement with the investee
› The ability to use its power over the investee to affect the amount of the investor's returns.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

Foreign currencies

Foreign currency transactions

The consolidated financial statements are presented in South African rand, which is the company's functional and presentation currency. Each foreign entity in the group determines its own functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Translation of foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange differences are taken to profit or loss, except for differences arising on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to other comprehensive income, in the consolidated financial statements, until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to such exchange differences are also accounted for in other comprehensive income.

If non-monetary items measured in a foreign currency are carried at historical cost, the exchange rate used is the rate applicable at the initial transaction date. If they are carried at fair value, the rate used is the rate at the date when the fair value was determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Foreign operations

At the reporting date the assets and liabilities of the foreign operations are translated into the presentation currency of the group (rand) at the exchange rate ruling at the reporting date. The income statement is translated at the weighted average exchange rate for the year. Exchange differences are taken directly to a separate component of other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

On 11 October 2019, the Public Accountants and Auditors Board of Zimbabwe classified Zimbabwe as a hyperinflationary economy in accordance with the provisions of IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29), applicable to entities operating in Zimbabwe with financial periods ended on or after 1 July 2019.

Tiger Brands concurs with this classification and has accounted for the associate National Foods Holdings Limited in terms of IAS 29. Refer note 1 of Annexure B for more details.

1 ACCOUNTING POLICIES continued

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and are translated at the closing rate.

Interest in group companies

Business combinations

Business combinations are accounted for using the acquisition method. The value of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with IFRS 3.58 where the acquirer shall account for changes in the fair value of contingent consideration that are not measurement period adjustments as follows:

› Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity
› Other contingent consideration that:
  – is within the scope of IAS 39 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with that IFRS
  – is not within the scope of IAS 39 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

The company carries its investments in subsidiaries and associate companies at cost less accumulated impairment losses.

Associates

An associate is an entity over which the group has significant influence through participation in the financial and operating policy decisions. The entity is neither a subsidiary nor a joint arrangement.

Associates are accounted for using the equity method of accounting in the consolidated financial statements. Goodwill relating to an associate is included in the carrying amount of the investment and is not tested separately for impairment.

The income statement reflects the group's share of the associate's profit or loss. However, an associate's losses in excess of the group's interest are not recognised. Where an associate recognises an entry directly in other comprehensive income, the group in turn recognises its share in the consolidated other comprehensive income. Profits or losses resulting from transactions between the group and associates are eliminated to the extent of the interest in the underlying associate.

After application of the equity method, each investment is assessed for indicators of impairment. If applicable, the impairment is calculated as the difference between the current carrying value and the higher of its value in use or fair value less cost of disposal. Impairment losses are recognised in profit or loss.

Where an associate's reporting date differs from the group's, the associate prepares financial statements as of the same date as the group. If this is impracticable, financial statements are used where the date difference is no more than three months. Adjustments are made for significant transactions between the relevant dates. Where the associate's accounting policies differ from those of the group, appropriate adjustments are made to conform the accounting policies.

Segment reporting

The group has reportable segments that comprise the structure used by the chief operating decision maker (CODM) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market (referred to as business segments).

The group evaluates the performance of its reportable segments based on operating profit. The group accounts for intersegment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market-related transaction.

The financial information of the group's reportable segments is reported to the CODM for purposes of making decisions about allocating resources to the segment and assessing its performance.

A number of segments comprising international entities are included in the Exports portion of "Exports and International" as they individually do not meet the qualitative thresholds indicated in IFRS 8 *Operating Segments*.

Property, plant and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Expenditure incurred on major inspection and overhaul, or to replace an item, is accounted for as separate components if the recognition criteria are met.

NOTES TO THE FINANCIAL STATEMENTS continued

1 ACCOUNTING POLICIES continued

Depreciation is calculated on a straight-line basis, on the difference between the cost and residual value of an asset, over its useful life. Depreciation starts when the asset is available for use. An asset's residual value, useful life and depreciation method is reviewed at least at each financial year end. Any adjustments are accounted for prospectively.

The following useful lives have been estimated:

Freehold land	Not depreciated
Freehold buildings	
– general purpose	40 years
– specialised	20 – 50 years
Leasehold improvements	Shorter of the lease term or useful life
Vehicles and computer equipment	3 – 5 years
Plant and equipment	5 – 15 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	2 – 10 years
Vehicles	1 – 8 years
All other leases	2 – 5 years.

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Right-of-use assets are disclosed in the property, plant and equipment line in the statement of financial position.

Goodwill and intangible assets

Goodwill

Goodwill is initially measured at cost being the excess of the consideration transferred over the group's share of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference in profit or loss is recognised as a "gain on bargain purchase". Goodwill relating to subsidiaries is recognised as an asset and is subsequently measured at cost less accumulated impairment losses.

Goodwill is reviewed annually for impairment, or more frequently if there is an indicator of impairment. Goodwill is allocated to cash-generating units expected to benefit from the synergies of the combination. When the recoverable amount of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in profit or loss. The impairment loss is allocated first to any goodwill assigned to the unit, and then to other assets of the unit pro rata on the basis of their carrying values. Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to research and development costs accounting policy), all internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with finite lives are amortised over their useful life and assessed for impairment when there is an indication that the asset may be impaired.

The amortisation period and method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively.

The following useful lives have been estimated:

Trademarks and other	1 – 20 years
Customer lists	5 – 15 years.

1 ACCOUNTING POLICIES continued

***Intangible assets** continued*

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment to a finite life is accounted for prospectively.

Certain trademarks have been assessed to have indefinite useful lives, as presently there is no foreseeable limit to the period over which the assets can be expected to generate cash flows for the group.

Research and development costs

Research costs, being the investigation undertaken with the prospect of gaining new knowledge and understanding, are recognised as an expense in profit or loss as they are incurred.

Development costs arise on the application of research findings to plan or design for the production of new or substantially improved materials, products or services, before the start of commercial production. Development costs are only capitalised when the group can demonstrate the technical feasibility of completing the project, its intention and ability to complete the project and use or sell the materials, products or services flowing from the project, how the project will generate future economic benefits, the availability of sufficient resources and the ability to measure reliably the expenditure during development. Otherwise development costs are recognised as an expense in profit or loss.

During the period of development, the asset is tested annually for impairment. Following the initial recognition of the development costs, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete. The development costs are amortised over the period of expected future sales.

Derecognition of intangible assets

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

The group assesses tangible and intangible assets, excluding goodwill, development assets not yet available for use and indefinite life intangible assets, at each reporting date for an indication that an asset may be impaired. If such an indication exists, the recoverable amount is estimated as the higher of the fair value less cost of disposal and the value in use. If the carrying value exceeds the recoverable amount, the asset is impaired and is written down to the recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, the fair value is determined in terms of IFRS 13.

This is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest. A fair-value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to the revised recoverable amount, but not in excess of what the carrying amount would have been had there been no impairment. A reversal of an impairment loss is recognised directly in profit or loss.

Financial instruments

Financial instruments are initially recognised when the group becomes a party to the contract. The group has adopted trade date accounting for "regular way" purchases or sales of financial assets. The trade date is the date that the group commits to purchase or sell an asset.

Financial instruments are initially measured at fair value plus transaction costs, except that transaction costs in respect of financial instruments classified at fair value through profit or loss are expensed immediately. Transaction costs are the incremental costs that are directly attributable to the acquisition of a financial instrument, i.e. those costs that would not have been incurred had the instrument not been acquired.

1 ACCOUNTING POLICIES continued

Classification

The group's classification of financial assets and financial liabilities are as follows:

Description asset/liability	Classification
Other investments	Financial instruments at fair value through other comprehensive income (OCI) and fair value through profit or loss (FVTPL)
Derivatives	Financial instruments at fair value through profit or loss
Loans	Amortised cost/FVTPL*
Loans to subsidiaries	Amortised cost
Trade and other receivables	Amortised cost
Cash and cash equivalents	Amortised cost
Loans payable and borrowings	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost
Loans from subsidiaries	Financial liabilities at amortised cost

* *Loans to some empowerment entities in the company are non-recourse in nature. The loan and the investment in the company are the only source of finance in these entities. As such, the loans fail "solely payments of principal and interest" (SPPI) and have been classified as FVTPL under IFRS 9.*

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group manages its financial assets in order to generate cash flows primarily from collecting contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the group. The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables, cash and cash equivalents and loans.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition on equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading (derivatives) and non-recourse loans to empowerment entities. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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1 ACCOUNTING POLICIES continued

Financial assets at fair value through profit or loss *continued*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial liabilities at amortised cost

After initial recognition, liabilities that are not carried at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Fair value

The fair value of listed investments is the quoted market bid price at the close of business on the reporting date. For unlisted investments, the fair value is determined using appropriate valuation techniques. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Such techniques include using recent arm's length market transactions, reference to the current market value of similar instruments, discounted cash flow analysis and option-pricing models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 33.

Impairment of financial assets

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

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

For trade receivables and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In terms of intercompany amounts and investments, the group evaluates potential impairments based on the net asset value of the subsidiary company and its liquidity.

The group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Factors taken into consideration would include external market and economic outlook reports, observable trends and cyclicality.

In terms of intercompany amounts, the group evaluates potential impairments based on the nature of the entity, and its liquidity and solvency position. Even with the consideration of forward-looking information relevant to the industries and environment in which the group companies operate, the credit risk relating to these entities is very low and no/limited provisioning is required. No further IFRS 7/ ECL disclosure is provided in this regard.

Hedge accounting

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Fair value hedges

Fair value hedges cover the exposure to changes in the fair value of a recognised asset or liability, or an unrecognised firm commitment (except for foreign currency risk). Foreign currency risk of an unrecognised firm commitment is accounted for as a cash flow hedge.

The gain or loss on the hedged item adjusts the carrying amount of the hedged item and is recognised immediately in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS continued

1 ACCOUNTING POLICIES continued

***Fair value hedges** continued*

When an unrecognised firm commitment is designated as a hedged item, the change in the fair value of the firm commitment is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The change in the fair value of the hedging instrument is also recognised in profit or loss in the "Operating income/(loss) before impairments and non-operational items" line in the income statement.

The group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the group revokes the designation.

Cash flow hedges

Cash flow hedges cover the exposure to variability in cash flows that are attributable to a particular risk associated with:

- A recognised asset or liability, or
- A highly probable forecast transaction, or
- The foreign currency risk in an unrecognised firm commitment.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or financial asset or liability is recognised or when the forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amount deferred in other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit or loss.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for similarly to cash flow hedges. On consolidation, gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets or parts thereof are derecognised when:

- The right to receive the cash flows have expired
- The right to receive the cash flows is retained, but an obligation to pay them to a third party under a "pass-through" arrangement is assumed, or
- The group transfers the right to receive the cash flows, and also transfers either all the risks and rewards, or control over the asset.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expired.

Non-current assets held for sale and discontinued operations

An item is classified as held for sale if its carrying amount will be recovered principally 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 or disposal group is available for immediate sale in its present condition. For a sale to be highly probable, management must be committed to the sale at a price that is reasonable to its current fair value and an active programme to locate a buyer and complete the plan must be initiated. This should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are not subsequently depreciated and are held at the lower of their carrying value and fair value less cost to sell.

A discontinued operation is a separate major line of business, separate component or geographical area of operation that has been disposed of, or classified as held for sale, as part of a single coordinated plan. A subsidiary acquired exclusively with a view to resale and that meets the criteria of a non-current asset held for sale is also defined as a discontinued operation.

In the consolidated income statement of the reporting period and of the comparable period, income and expenses from discontinued operations are reported separate from income and expenses from continuing activities down to the level of profit after taxes, even when the group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the income statement.

Inventories

Inventories are stated at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials:	Purchase cost on a first-in first-out basis
Finished goods and work-in-progress:	Cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

1 ACCOUNTING POLICIES continued

Inventories *continued*

Consumables are written down with regard to their age, condition and utility.

Costs of inventories include the transfer from other comprehensive income of gains and losses on qualifying cash flow hedges in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated completion and selling costs.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Leases

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The group's lease liabilities are included in borrowings (note 27).

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Revenue

Revenue comprises sale of goods. Revenue is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods, net of value added tax and internal revenue which is eliminated on consolidation. Normal discounts, volume rebates and settlement discounts are treated as variable consideration which is estimated upfront and adjusted for in the transaction price accordingly. Payments to customers such as promotional allowances and rebates are deducted from revenue. If such a payment relates to a period covering more than one financial year, the payment is recognised as a contract asset and is utilised over the related period of transferring control over goods sold to the customer. Returns and refunds are accepted from customers based on individual trade term agreements.

Sale of goods

Revenue from the sale of goods is recognised when the transfer of control has passed to the buyer when the performance obligation is satisfied. For domestic and International operations, the performance obligation is generally satisfied upon delivery of goods and for export operations, the performance obligation is generally satisfied upon shipment of goods.

Financing components on sales with a payment term of 12 months or less from the transfer of control over goods until payment date (or vice versa) are not adjusted for the time value of money as allowed by the practical expedient explained in IFRS 15.63.

With regards to unsatisfied performance obligations the group applied the practical expedient relinquishing disclosure for contracts with a duration of one year or less.

Rights of return

The group applies judgements based on historical data and quality control data as well as current data to determine potential returns. The group then applies these judgements to adjust the revenue for possible returns. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

NOTES TO THE FINANCIAL STATEMENTS continued

1 ACCOUNTING POLICIES continued

Dividend income
Dividend income is recognised when the group's right to receive payment is established. Non-resident shareholders' taxation is provided in respect of foreign dividends receivable, where applicable.

Interest received
For all financial instruments measured at amortised cost, interest received or expensed is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest received is included in finance income in the income statement.

Cost of sales
Cost of sales primarily comprises the cost of goods sold and measures the "direct cost" incurred in the production of goods. These costs include variable costs involved in the manufacturing of products, such as raw materials and labour, and fixed costs such as factory overheads. It also includes unallocated production overheads and abnormal amounts of production costs of inventories.

Obsolete, redundant and slow-moving items are identified on a regular basis and are written down to their estimated net realisable values. The amount of the write down is recognised in cost of sales in the year in which it occurs.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Operating income before impairments and non-operational items
Operating income before impairments and non-operational items is disclosed to provide an additional basis on which to measure the group's performance.

Non-operational items
Non-operational items are items of income and expenditure which are not directly attributable to normal operations and where their size or nature are such that additional disclosure is considered appropriate.

Taxation
The income tax expense represents the sum of current tax payable (both current and deferred).

Normal tax – current
The normal tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement 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. Normal tax may include under or overprovisions relating to prior year taxation. The group's liability for normal tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Normal tax relating to items recognised outside profit or loss is recognised outside profit or loss. Normal tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Normal tax – deferred
Deferred tax is calculated on the liability method.

Deferred tax liabilities are recognised for taxable temporary differences except:
› Where the "initial recognition exception" applies
› In respect of outside temporary differences relating to investments in subsidiaries.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, where it is probable that the asset will be utilised in the foreseeable future except:
› Where the "initial recognition exception" applies
› In respect of outside temporary differences relating to investment in subsidiaries.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent it has become probable that future taxable profit will allow the asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1 ACCOUNTING POLICIES continued

Dividends withholding tax
A dividend withholding tax of 20% is withheld on behalf of the taxation authority on dividend distributions where applicable. The net amount payable to the taxation authority is included as part of trade and other payables at the time a dividend is declared.

Value added tax
Revenues, expenses and assets are recognised net of the amount of value added tax except:
› Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
› Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Employee benefits
A liability is recognised when an employee has rendered services for benefits to be paid in the future, and an expense when the entity consumes the economic benefit arising from the service provided by the employee.

In respect of defined contribution plans, the contribution paid by the company is recognised as an expense.

In respect of defined benefit plans, the company's contributions are based on the recommendations of independent actuaries and the liability is measured using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
› The date of the plan amendment or curtailment
› The date that the group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation under "cost of sales", "administration expenses" and "selling and distribution expenses" in consolidated statement of profit or loss (by function):
› Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
› Net interest expense or income.

Post-retirement medical obligations
The group provides post-retirement healthcare benefits to certain of its retirees based on the qualifying employee remaining in service up to retirement age in the form of a defined benefit medical plan. The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Valuations are based on assumptions which include employee turnover, mortality rates, discount rate based on current bond yields of appropriate terms, healthcare inflation costs and rates of increase in salary costs. Valuations of these obligations are carried out by independent qualified actuaries.

Actuarial gains or losses are recognised in the same manner as those of defined benefit pension obligations noted in the previous accounting policy.

Share-based payments
Certain employees (including senior executives) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions) or share appreciation rights (that are classified as cash-settled transactions).

Equity-settled and cash-settled share options
Equity-settled transactions
Under the scheme, executives and selected managers of Tiger Brands Limited and its subsidiaries are offered, on an annual basis, a weighted combination of share appreciation rights, performance shares, restricted shares linked to the annual cash bonus scheme (bonus matching) and restricted shares linked to a deferred portion of bonuses received by these employees. All these components are accounted for as equity-settled share-based payments in addition to the general employee share option plan portion and the black managers participation right scheme.

Shares awarded to employees in terms of the rules of the Tiger Brands Long-Term Incentive Plan (LTIP) are measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a modified version of the Black-Schöles model or Monte-Carlo simulation, further details of which are given in note 29.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative

NOTES TO THE FINANCIAL STATEMENTS continued

1 ACCOUNTING POLICIES continued

Equity-settled transactions *continued*

expense recognised reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge for a period represents the movement in the cumulative expense at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity-settled award is cancelled (other than forfeiture), it is treated as if it had vested on the date of cancellation, and any unrecognised expenses recognised immediately. If a new award is substituted and designated as a replacement for the cancelled award, the cancelled and new awards are treated as if they were a modification of the original award, as described above.

The dilutive effect of outstanding equity-settled options is reflected as additional share dilution in the computation of earnings and headline earnings per share.

Cash-settled transactions

The cost of cash-settled transactions such as the general employee share option plan portion is measured initially at fair value at the grant date using a modified version of the Black-Schöles model, taking into account the terms and conditions upon which the instruments were granted (see Annexure D). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

Accounting for BEE transactions

Where equity instruments are issued to a black economic empowerment (BEE) party at less than fair value, the instruments are accounted for as share-based payments in terms of the stated accounting policy.

A restriction on the BEE party to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination of the instrument.

Treasury shares

Shares in Tiger Brands Limited held by the group are classified within total equity as treasury shares. The shares acquired by the Black Managers Trust (I) are accounted for as treasury shares in line with the consolidation requirement for special-purpose entities. Treasury shares are treated as a deduction from the issued and weighted average number of shares for earnings per share and headline earnings per share purposes, and the cost price of the shares is reflected as a separate component of capital and reserves in the statement of financial position. Dividends received on treasury shares are eliminated on consolidation. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of treasury shares. Consideration received or paid in respect of treasury shares is recognised in equity.

Assets and liabilities arising from rights of return

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The group's refund liabilities arise from customers' right of return. The liability is measured at the amount the group ultimately expects it will have to return to the customer. The group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Contingent assets and contingent liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised as assets, but disclosed.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Alternatively, it may be a present obligation that arises from past events but is not recognised because an outflow of economic benefits to settle the obligation is not probable, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities unless they are acquired as part of a business combination, but disclosed.

Events after the reporting date

Recognised amounts in the financial statements are adjusted to reflect significant events arising after the reporting date, but before the financial statements are authorised for issue, provided there is evidence of conditions that existed at the reporting date. Events after the reporting date that are indicative of conditions that arose after the reporting date are dealt with by way of note 37.

1 ACCOUNTING POLICIES continued

Significant accounting judgements and estimates

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Net investment in foreign operations

Certain loans with the group's foreign investments are designated as part of the group's net investment as they are not expected to be repaid in the foreseeable future. This results in the foreign exchange differences on the portion of the loans that are viewed as "capital contributed" being recorded in equity under the "foreign currency translation reserve" as required per IAS 21 *The Effects of Changes in Foreign Exchange Rates*, as opposed to being recognised in the statement of profit or loss. This designation is reassessed on an annual basis.

Consolidation of structured entities

The structured entities established in terms of the BEE transaction implemented in October 2005 and October 2009, have been consolidated in the group results with the exception of The Tiger Foundation Trust, Thusani Trust and Dipuno ESD Foundation SPV (RF) Proprietary Limited (Dipuno). These entities are not consolidated as the board comprises primarily of independent trustees who are appointed to make all necessary decisions in terms of beneficiaries, funding and other matters. There is no significant residual risks associated with the group's involvement in unconsolidated structured entities, except for the related party loan to Dipuno detailed in note 17.

For the entities that are consolidated, the substance of the relationship between the company and these entities has been assessed and the decision made that they are controlled entities, mainly due to the fact that they have been formed to carry out specific objectives and that they will operate in terms of the predetermined activities as set out in IFRS 12.

Assessing control (direct and de facto) of associates

The conclusion regarding control or significant influence relating to associates is reassessed on an annual basis. In performing this assessment, the directors determine whether or not the group has control over the respective investee based on whether the group has the practical ability to direct the significant activities unilaterally.

In making this assessment, the following factors are considered:

- The group's shareholding in the investee relative to other investors
- The relative size of and concentration of other shareholders
- The inability of the group to unilaterally appoint the majority of board members of the investee
- The absence of related key management between the group and the investee
- Composition of the investee's board and board appointees of the group
- The lack of any contractual or legal rights conferred upon the group by the investee or any other shareholder of the investee to direct its activities.

Detailed disclosures of non-controlling interests

The group does not have subsidiaries that have a material non-controlling interest in the context of the group and accordingly detailed non-controlling interest disclosure is not required in the current year in terms of IFRS 12 *Disclosure of interests in Other Entities*. In determining whether or not any non-controlling interests are material, the group considered the share of the individual non-controlling interests in the consolidated net assets of the group. In addition, the total non-controlling interest is below 10% of the group's consolidated net assets and hence considered not to be material to the group.

Detailed disclosures of investment in associates

The group does have associate interests that are, in aggregate, material in the context of the group and accordingly detailed disclosure requirements in terms of IFRS 12 *Disclosure of interests in Other Entities* is assessed on an annual basis. In determining whether or not any individual associate is material, the group considers a combination of the share of the individual associate interest in the consolidated profits, other comprehensive income, headline earnings as well as total assets of the group. If any of these contributions exceed 10%, it is concluded as individually material.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

IFRS 15 *Revenue from Contracts with Customers*

The group has certain customers that may receive cash-based incentives or credits, which are accounted for as variable consideration. The estimation of variable consideration is measured on an expected value method based on past history and operational, supply and customer market share metrics. This relates to returns, refunds and similar obligations. Judgement is applied in establishing whether or not a payment to a customer is to be deducted from revenue versus a payment for a distinct good or service bought by assessing the average trade spend against the outstanding invoice.

NOTES TO THE FINANCIAL STATEMENTS continued

1 ACCOUNTING POLICIES continued

Impairment assessment of goodwill, tangible and intangible assets

Goodwill and indefinite life intangible assets are tested for impairment annually or more frequently if there is an indicator of impairment. Tangible assets and finite life intangible assets are tested when there is an indicator of impairment. When identifying impairment indicators, management considers the impact of changes in competitors, technological obsolescence, discontinuance of products, market changes, legal changes, operating environments and other circumstances that could indicate that impairment exists. This requires management to make significant judgements concerning the existence of impairment indicators, identification of cash-generating units and estimates of projected cash flows and fair value less costs of disposal.

The group applies the impairment assessment to its cash-generating units. Management's analysis of cash-generating units involves an assessment of a group of assets' ability to independently generate cash inflows and involves analysing the extent to which different products make use of the same assets.

The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. Recoverable amount is calculated using the discounted cash flow valuation method when determining value in use. Key assumptions on which management has based its determination of recoverable amount include the weighted average cost of capital, projected revenues and gross margins. In addition, changes in economic factors, such as discount rates, could also impact this calculation. Further details are given in note 14.

Residual values and useful lives of tangible and intangible assets

Residual values and useful lives of tangible and intangible assets are assessed on an annual basis. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed of at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of tangible and intangible assets in the future. Further details are given in note 12 and note 13.

Fair value of share allocations

In calculating the amount to be expensed as a share-based payment, the group was required to calculate the fair value of the equity instruments granted to participants. This fair value was calculated by applying a valuation model which is in itself judgemental and takes into account certain inherently uncertain assumptions (detailed in Annexure D).

IFRS 16 *Leases*

Where the terms and conditions of the contract has not been clearly defined in relation to renewal options, a significant judgement had been made in order to determine the lease term for specific classes of assets. Based on past practices, the lease terms were adjusted to align with these expectations of management using historic business unit trends. The group has used information supplied by the lessors where there are leases with no specific judgements. On extensions of leases the group assumed the lease terms to a similar rental.

The lease liability was measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate (IBR). The IBR is the rate of interest that the group would have to pay to borrow over a similar term with similar security, to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market rates) when available and is required to make certain entity-specific estimates.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 30 and note 31.

Provisions

Best estimates, being the amount that the group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates. Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which requires management estimation.

The establishment and review of the provisions requires significant judgement by management as to whether or not a reliable estimate can be made of the amount of the obligation.

1 ACCOUNTING POLICIES continued

The group is required to record provisions for legal or constructive contingencies when the contingency probability of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date. Further details are given in note 32.

Covid-19 pandemic

The Covid-19 pandemic has placed strain on global economies, has influenced customer trends and has influenced trading activities of the group. Many of Tiger Brands' manufacturing and distribution sites were classified as essential services and continued to operate during the lockdown periods. To ensure the health and safety of our employees, a number of measures were implemented and continue to be in place. At period end, uncertainty remains on the longevity of the virus and its impact on future trading activities. This uncertainty has been considered in the key assumptions, estimates and judgements made by management when assessing provisions and impairment considerations.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the following standards that became effective for the group from 1 October 2020 and did not have a material impact to the group:

› Definition of a business – amendments to IFRS 3
› Interest rate benchmark reform – amendments to IFRS 9, IAS 39 and IFRS 7
› Definition of material – amendments to IAS 1 and IAS 8
› The conceptual framework for financial reporting
› Covid-19-related rent concessions – amendments to IFRS 16.

Standards and interpretations not yet effective

The group has not applied the following applicable IFRS and IFRIC interpretations that have been issued but are not yet effective and will be adopted by the group as and when they become effective.

Standard	Effective date*	Impact
Interest rate benchmark reform – phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021	The amendments are not expected to have a material impact to the group.
Reference to the conceptual framework – amendments to IFRS 3	1 January 2022	The amendments are not expected to have a material impact to the group.
Property, plant and equipment: proceeds before intended use – amendments to IAS 16	1 January 2022	The amendments are not expected to have a material impact to the group.
Onerous contracts – costs of fulfilling a contract – amendments to IAS 37	1 January 2022	The amendments are not expected to have a material impact to the group.
Deferred tax related to assets and liabilities arising from a single transaction – amendments to IAS 12	1 January 2023	The amendments are not expected to have a material impact to the group.
Classification of liabilities as current or non-current – amendments to IAS 1	1 January 2023	The amendments are not expected to have a material impact to the group.

* *Effective for annual periods beginning on or after the specified date.*

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		2	**REVENUE (GROUP)**		
			Revenue constitutes the sale of manufactured goods in the FMCG sector including food, Home, Personal Care and Baby products throughout South Africa and selected other countries.		
		2.1	**Revenue from the sale of goods comprises:**		
			Sale of goods inside of South Africa	**27 620,6**	26 428,7
			Sale of goods outside of South Africa	**3 588,2**	3 367,4
			Impact of product recall (refer note 3.1)	**(254,9)**	
				30 953,9	29 796,1
			Refer to the segmental analysis on page 92 for details of the segmental split.		
		2.2	**Revenue by major customer**		
			Customer 1	**5 705,3**	5 007,7
			Customer 2	**3 382,8**	3 443,2
			Customer 3	**3 007,8**	3 158,7
			Customer 4	**2 269,6**	2 692,2
			Customer 5	**277,7**	260,9
			All other customers	**16 310,7**	15 233,4
				30 953,9	29 796,1
			Customers 1 to 5 relate to sale of goods within South Africa.		
		2.3	**Revenue (COMPANY)**		
			Investment income reflected as revenue		
1 637,3	983,9		From subsidiary companies and associate companies		
183,4	214,8		From BEE empowerment entities		
0,9	1,0		From other investments		
1 821,6	1 199,7				
		3.1	**IMPACT OF PRODUCT RECALL**		
			During the second half of the 2021 financial year, a product recall was initiated on selected canned vegetable products within the Groceries business over safety concerns linked to defective cans. The defect was due to a deficient side-seam weld that could cause cans to leak. This defect was discovered in May 2021 and impacted products manufactured between 1 May 2019 and 5 May 2021. Approximately 64,6 million cans were identified as defective inventory that has been marked for destruction, of which 22,7 million cans were recalled from the trade.		
			For clarity, total impact of the product recall has been accounted for on the income statement as follows:		
			Revenue impact	**254,9**	
			Cost of sales impact	**308,3**	
			Associated costs included in sales and distribution expenses	**68,7**	
			Associated costs included in marketing expenses	**10,0**	
			Associated costs included in other operating expenses	**4,9**	
			Total cost of product recall	**646,8**	

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		3.2	**IMPACT OF CIVIL UNREST**		
			The civil unrest in KwaZulu-Natal (KZN) particularly impacted the Rice and Snacks & Treats businesses. This resulted in inventory write-offs of R85,2 million across the two businesses, which has been included in cost of sales. In addition to the inventory loss, there was physical damage and loss to property, plant and equipment. The unrest also resulted in lost sales across the business, up to 31 August 2021.		
			The group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, inventory and business interruption. The total impact of the civil unrest has been accounted for on the income statement as follows:		
			Cost of sales impact	**85,2**	
			Associated costs included in non-operational items (refer note 7)	**15,8**	
			Total cost of civil unrest	**101,0**	
		4	**OPERATING INCOME BEFORE IMPAIRMENTS AND NON-OPERATIONAL ITEMS**		
			Operating income has been determined after charging/(crediting):		
			External auditors' remuneration	**24,9**	25,9
			– Audit fees	**24,1**	23,4
			– Other fees and expenses	**0,8**	2,5
			Internal auditors' remuneration	**9,8**	9,1
			Lease charges**	**39,7**	46,5
			– On land and buildings	**19,4**	21,3
			– On plant, equipment and vehicles	**20,3**	25,2
			(Profit)/loss on disposal of plant, equipment and vehicles	**(2,0)**	6,0
			Research, development and related expenditure	**58,3**	51,5
			IFRS 2 charges	**41,3**	66,1
			– Cash settled	**3,8**	(3,3)
			– Equity settled, including BEE-related IFRS 2 charges	**37,5**	69,4
			Staff costs	**3 539,3**	3 702,3
			Employer's contribution to retirement funding	**256,6**	271,8
			Employer's contribution to medical aid	**89,5**	90,0
–	–		Foreign exchange loss/(profit)	**0,2**	(25,2)
			Rental and fee income	**(3,8)**	(4,1)

*** Leases consists of variable lease payments and payments in respect of low value assets.*

COMPANY				GROUP	
2021	**2020**		**(R'million)**	**2021**	**2020**
		5	**DIRECTORS' EMOLUMENTS**		
			Executive directors		
			– Salaries and bonuses	**14,5**	10,1
			– Retirement, medical and other benefits	**2,0**	2,6
			Non-executive directors		
12,3	10,2		– Fees	**12,3**	10,2
12,3	10,2		Total directors' emoluments	**28,8**	22,9
			Less: Paid by subsidiaries	**(16,5)**	(12,7)
12,3	10,2		Emoluments paid by company	**12,3**	10,2
			For further details refer to Annexure C		
		6	**IMPAIRMENTS AND FAIR VALUE LOSSES***		
			Impairment of property, plant and equipment (refer note 14)	**(154,2)**	(199,2)
			Impairment of intangible assets (refer note 14)	**–**	(286,0)
–	(139,5)		Fair value loss on Thusani II receivable**		
–	(140,0)		Impairment of interest in subsidiary (refer note 14)		
–	(714,2)		Fair value loss on Tiger Brands Foundation receivable**		
–	(993,7)		Impairments loss before taxation	**(154,2)**	(485,2)
			Income tax	**43,1**	55,8
–	(993,7)		**Attributable to shareholders in Tiger Brands Limited**	**(111,1)**	(429,4)
			** *As a result of the decline in the net asset value of Thusani Empowerment Investment Holdings No II Proprietary Limited (Thusani II) and Tiger Brands Foundation SPV Proprietary Limited (Tiger Brands Foundation) due to the devaluation of the listed investment, the respective receivables in Thusani II and Foundation SPV were written down in the prior financial year.*		
		7	**NON-OPERATIONAL ITEMS***		
			Profit/(loss) on disposal of intangible assets	**43,0**	(0,6)
			Civil unrest asset write offs	**(15,8)**	–
			Profit on disposal of property	**–**	43,0
			Obsolete assets scrapped	**–**	(8,4)
			Loss on disposal of shares in held-for-sale investment	**–**	(0,1)
–	–		Non-operational items before taxation	**27,2**	33,9
			Income tax expense	**(3,2)**	(4,0)
–	–		Attributable to shareholders in Tiger Brands Limited	**24,0**	29,9
		8	**NET (FINANCE COSTS)/FINANCE INCOME**		
		8.1	**Finance costs**	**(57,0)**	(110,8)
			Bank and other short-term borrowings	**(8,4)**	(60,4)
			Other – financial liabilities	**(47,9)**	(49,6)
			Other – non-financial liabilities	**(0,7)**	(0,8)
24,9	27,0	8.2	**Finance income**	**2,8**	14,2
16,0	19,5		From subsidiary companies		
8,9	7,5		From cash and cash equivalents	**2,8**	14,2

* *Restated in line with the presentation requirements of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*

COMPANY				GROUP	
2021	**2020**		**(R'million)**	**2021**	**2020**
		8	**NET (FINANCE COSTS)/FINANCE INCOME**		
(15,9)	(8,6)	8.3	**Foreign exchange (loss)/profit**	**(8,7)**	40,1
(15,9)	(8,6)		(Loss)/profit on cash balances and loans of a funding nature	**(8,7)**	40,1
9,0	18,4		Net (finance costs)/finance income	**(62,9)**	(56,5)
		9	**TAXATION***		
2,7	5,3	9.1	**South African current taxation**	**627,0**	690,3
7,0	15,2		Withholding and foreign taxes	**146,3**	85,9
9,7	20,5			**773,3**	776,2
–	–		Deferred taxation – temporary differences	**(127,8)**	14,3
9,7	20,5			**645,5**	790,5
			Adjustments in respect of previous years		
–	0,8		– Current taxation	**(8,1)**	(7,2)
			– Deferred taxation	**(0,8)**	(4,8)
9,7	21,3			**636,6**	778,5
			Taxation on impairments and non-operational items		
			– Current	**0,9**	14,6
			– Deferred	**(40,8)**	(66,4)
9,7	21,3			**596,7**	726,7
%	%	9.2	**The reconciliation of the effective rate of taxation with the statutory taxation rate is as follows:**	**%**	%
0,5	18,5		Taxation for the year as a percentage of income before taxation	**24,9**	32,7
			Impairment of goodwill and intangibles	**0,3**	(5,1)
27,7	291,5		Dividend income	**0,2**	0,2
(0,5)	(9,1)		Expenses and provisions not allowed for taxation[1]	**(1,4)**	(3,7)
–	–		Additional investment allowances	**0,7**	0,5
–	(0,7)		Prior year adjustments	**0,4**	0,5
(0,3)	(12,6)		Withholding taxes	**(0,8)**	(1,3)
–	–		Income from associates	**4,0**	4,5
–	–		Effect of differing rates of foreign taxes	**(0,3)**	(0,3)
0,6	(259,6)		Other sundry adjustments[2]	**–**	–
28,0	28,0		Rate of South African company taxation	**28,0**	28,0
			Tax effect of current year losses available to reduce future taxable income	**–**	–
		9.3	**Reconciliation of movement on deferred taxation**		
			Movement recognised in the income statement for the year		
			Current year charge	**(127,8)**	14,3
			Adjustments in respect of previous years	**(0,8)**	(4,8)
			Deferred tax on impairments and non-operational items	**(40,8)**	(66,4)
				(169,4)	(56,9)

* *Restated in line with the presentation requirements of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*
[1] *Consists of legal fees, industrial investment allowance provision and expenses related to dividend income.*
[2] *Includes impairments of receivables and investments.*

10 CALCULATION OF WEIGHTED AVERAGE NUMBER OF SHARES AND HEADLINE EARNINGS PER SHARE

	GROUP 2021	GROUP 2020
10.1 Weighted average number of shares in issue	**165 735 377**	165 687 312
– Opening balance of number of ordinary shares	**179 492 168**	179 492 168
– Weighted number of shares held for BEE deal	**(13 756 791)**	(13 804 856)
10.2 Diluted weighted average number of shares in issue	**167 529 805**	166 941 456
– Weighted average number of shares in issue – per 10.1 above	**165 735 377**	165 687 312
– Dilutive number of shares	**1 794 428**	1 254 144
10.3 Headline earnings (R'million)	**1 867,5**	1 557,9
– Continuing operations	**1 868,4**	1 981,8
– Discontinued operations	**(0,9)**	(423,9)
10.4 Headline earnings per share		
Headline earnings per ordinary share (cents)	**1 126,8**	940,3
– Continuing operations	**1 127,3**	1 196,1
– Discontinued operations	**(0,5)**	(255,8)
Diluted headline earnings per ordinary share (cents)	**1 114,8**	933,2
– Continuing operations	**1 115,3**	1 187,1
– Discontinued operations	**(0,5)**	(253,9)

10 CALCULATION OF WEIGHTED AVERAGE NUMBER OF SHARES AND HEADLINE EARNINGS PER SHARE continued

10.5 Reconciliation between profit for the year and headline earnings

(R'million)	Gross	Taxation	Non-controlling interest	Net
2021				
Continuing operations				
Profit attributable to shareholders of the parent				**1 773,3**
Adjusted for:				
Impairment of property, plant and equipment	**154,2**	**(43,1)**	**–**	**111,1**
Civil unrest asset write off	**15,8**	**(4,5)**	**–**	**11,3**
Loss on disposal of investment in associated company	**10,8**	**–**	**–**	**10,8**
Profit on disposal of intangible assets	**(43,0)**	**7,7**	**–**	**(35,3)**
Profit on disposal of property, plant and equipment	**(2,0)**	**0,6**	**–**	**(1,4)**
Headline earnings adjustment – associate				
– Profit on disposal of investment	**(1,4)**	**–**	**–**	**(1,4)**
Headline earnings for the year	**134,4**	**(39,3)**	**–**	**1 868,4**
Discontinued operations				
Profit attributable to shareholders of the parent				**119,8**
Adjusted for:				
Profit on disposal of property, plant and equipment	**(6,4)**	**(1,1)**	**–**	**(7,5)**
Profit on disposal of intangible assets	**(20,5)**	**–**	**–**	**(20,5)**
Release of foreign currency translation reserve on closure of foreign subsidiary	**(92,7)**	**–**	**–**	**(92,7)**
Headline earnings for the year	**(119,6)**	**(1,1)**	**–**	**(0,9)**
2020				
Continuing operations				
Profit attributable to shareholders of the parent				1 467,5
Adjusted for:				
Impairment of intangible assets	286,0	–	–	286,0
Impairment of property, plant and equipment	199,2	(55,8)	–	143,4
Impairment of investment in associated company	117,7	–	–	117,7
Loss on disposal of intangible assets	0,6	–	–	0,6
Loss on disposal of shares held-for-sale investment	0,1	–	–	0,1
Profit on disposal of plant, equipment and vehicles	(37,0)	4,6	–	(32,4)
Headline earnings adjustments – associates				
– Profit on disposal of property, plant and equipment	(1,1)	–	–	(1,1)
Headline earnings for the year	565,5	(51,2)	–	1 981,8
Discontinued operations				
Loss attributable to shareholders of the parent				(453,2)
Adjusted for:				
Impairment of property, plant and equipment	83,2	(23,3)	–	59,9
– Profit on disposal of plant, equipment and vehicles	(42,5)	11,9	–	(30,6)
Headline earnings for the year	40,7	(11,4)	–	(423,9)

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		11	**DIVIDENDS**		
1 879,2	823,8	**11.1**	**Dividends on ordinary shares – paid**	**1 683,7**	739,8
			Dividend by Empowerment Trusts	**42,8**	20,7
–	823,8		Dividend No 150 of 434 cents per share	**–**	719,1
1 271,2			Dividend No 151 of 670 cents per share	**1 108,4**	
608,0			Dividend No 152 of 320 cents per share	**532,5**	
826	1 104	**11.2**	**Dividends per ordinary share (cents)**	**826**	1 104
	434		Dividend No 150 – paid		434
	537		Dividend No 151 – paid		537
	133		Dividend No 151 – paid (Special dividend)		133
320			Dividend No 152 – paid	**320**	
506			Dividend No 153 – declared November 2021	**506**	

12 PROPERTY, PLANT AND EQUIPMENT

12.1 Movement of the group property, plant and equipment

GROUP (R'million)	Freehold land and buildings	Leasehold land and buildings	Plant, vehicles and equipment	Right-of-use assets**	Total
2021					
Carrying value at the beginning of the year					
Cost	**2 045,7**	**10,8**	**8 417,6**	**367,6**	**10 841,7**
Accumulated depreciation and impairment	**(636,7)**	**(10,4)**	**(5 059,5)**	**(75,7)**	**(5 782,3)**
Net balance at the beginning of the year	**1 409,0**	**0,4**	**3 358,1**	**291,9**	**5 059,4**
Current year movements – cost					
Additions	**95,3**	**–**	**918,4**	**425,5**	**1 439,2**
Disposals/write-offs	**(37,1)**	**–**	**(778,9)**	**(103,0)**	**(919,0)**
Lease modifications***	**–**	**–**	**–**	**24,2**	**24,2**
Exchange rate adjustments	**0,3**	**–**	**(2,9)**	**–**	**(2,6)**
Cost movements for current year	**58,5**	**–**	**136,6**	**346,7**	**541,8**
Current year movements – accumulated depreciation and impairment					
Depreciation*	**(64,6)**	**–**	**(537,6)**	**(196,8)**	**(799,0)**
Impairment (refer note 14)	**(115,2)**	**–**	**(29,5)**	**(9,5)**	**(154,2)**
Disposals/write-offs	**28,2**	**–**	**744,1**	**93,6**	**865,9**
Lease modifications***	**–**	**–**	**–**	**0,1**	**0,1**
Exchange rate adjustments	**–**	**–**	**(31,9)**	**(0,8)**	**(32,7)**
Accumulated depreciation and impairment movement for current year	**(151,6)**	**–**	**145,1**	**(113,4)**	**(119,9)**
Carrying value at the end of the year					
Cost	**2 104,2**	**10,8**	**8 554,2**	**714,3**	**11 383,5**
Accumulated depreciation and impairment	**(788,3)**	**(10,4)**	**(4 914,4)**	**(189,1)**	**(5 902,2)**
Net balance at the end of the year	**1 315,9**	**0,4**	**3 639,8**	**525,2**	**5 481,3**

* *Relates to depreciation for total operations.*
** *Refer 12.3 for detailed breakdown of right-of-use assets.*
*** *Relates to modifications to leases due to changes in terms and rates.*

12 PROPERTY, PLANT AND EQUIPMENT continued

12.1 Movement of the group property, plant and equipment continued

GROUP (R'million)	Freehold land and buildings	Leasehold land and buildings	Plant, vehicles and equipment	Right-of-use assets**	Total
2020					
Carrying value at the beginning of the year					
Cost	2 021,2	10,8	8 567,5	16,3	10 615,8
Accumulated depreciation and impairment	(619,8)	(10,4)	(4 994,9)	(14,3)	(5 639,4)
Net balance at the beginning of the year#	1 401,4	0,4	3 572,6	2,0	4 976,4
Current year movements – cost					
Effective adoption of IFRS 16 *Leases* as at 1 October 2019	–	–	–	356,4	356,4
Additions	212,5	–	724,6	84,4	1 021,5
Disposals	(50,6)	–	(328,8)	(45,8)	(425,2)
Transfer to assets held for sale (refer note 36)	(137,4)	–	(545,7)	(7,8)	(690,9)
Lease modifications***	–	–	–	(35,9)	(35,9)
Cost movements for current year	24,5	–	(149,9)	351,3	225,9
Current year movements – accumulated depreciation and impairment					
Depreciation*	(66,4)	–	(590,4)	(123,2)	(780,0)
Impairment (refer note 14)	–	–	(282,4)	–	(282,4)
Disposals	16,0	–	292,6	45,5	354,1
Transfer to assets held for sale (refer note 36)	33,5	–	517,4	3,7	554,6
Lease modifications***	–	–	–	12,6	12,6
Exchange rate adjustments	–	–	(1,8)	–	(1,8)
Accumulated depreciation and impairment movement for current year	(16,9)	–	(64,6)	(61,4)	(142,9)
Carrying value at the end of the year					
Cost	2 045,7	10,8	8 417,6	367,6	10 841,7
Accumulated depreciation and impairment	(636,7)	(10,4)	(5 059,5)	(75,7)	(5 782,3)
Net balance at the end of the year	1 409,0	0,4	3 358,1	291,9	5 059,4

* *Relates to depreciation for total operations.*
** *Refer 12.3 for detailed breakdown of right-of-use assets.*
*** *Relates to modifications to leases due to changes in terms and rates.*
\# *Opening balance includes assets previously reported as capitalised leases which has now become right-of-use assets.*

NOTES TO THE FINANCIAL STATEMENTS continued

12 PROPERTY, PLANT AND EQUIPMENT continued

12.2 Borrowing costs amounting of R11,1 million relating to plant was capitalised during the year (2020: R7,4 million) at an average effective rate of 5% (2020: 6,5%).

A full list of title deeds are available at the registered office for inspection.

12.3 Right-of-use assets

The group has lease contracts for various items of property, vehicles and information technology equipment used in its operations. The property leases have lease terms between two to ten years, vehicles between one to eight years, and all other leases are between two to five years. The group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

GROUP (R'million)	Land and buildings	Vehicles	Information technology	Plant and equipment	Total
2021					
Carrying value at the beginning of the year					
Cost	115,3	180,9	38,2	33,2	367,6
Accumulated depreciation and impairment	(13,4)	(48,8)	(8,4)	(5,1)	(75,7)
Net balance at beginning of year	**101,9**	**132,1**	**29,8**	**28,1**	**291,9**
Current year movements – cost					
Additions	363,9	61,6	–	–	425,5
Disposals	(73,5)	(29,5)	–	–	(103,0)
Lease modifications***	25,0	0,4	(1,2)	–	24,2
Cost movements for current year	**315,4**	**32,5**	**(1,2)**	**–**	**346,7**
Current year movements – accumulated depreciation and impairment					
Depreciation	(118,0)	(53,6)	(8,4)	(16,8)	(196,8)
Impairment (refer note 14)	–	–	–	(9,5)	(9,5)
Disposals	66,2	27,4	–	–	93,6
Lease modifications***	–	–	0,1	–	0,1
Exchange rate adjustments	–	(0,8)	–	–	(0,8)
Accumulated depreciation and impairment movement for current year	**(51,8)**	**(27,0)**	**(8,3)**	**(26,3)**	**(113,4)**
Carrying value at the end of the year					
Cost	430,7	213,4	37,0	33,2	714,3
Accumulated depreciation and impairment	(65,2)	(75,8)	(16,7)	(31,4)	(189,1)
Net balance at the end of the year	**365,5**	**137,6**	**20,3**	**1,8**	**525,2**

**** Relates to modifications to leases due to changing in terms, rates and exchange rates.*

12 PROPERTY, PLANT AND EQUIPMENT continued

12.3 Right-of-use assets continued

GROUP (R'million)	Land and buildings	Vehicles	Information technology	Plant and equipment	Total
2020					
Carrying value at the beginning of the year					
Cost	–	–	–	16,3	16,3
Accumulated depreciation and impairment	–	–	–	(14,3)	(14,3)
Net balance at the beginning of the year#	–	–	–	2,0	2,0
Current year movements – cost					
Effective adoption of IFRS 16 *Leases* as at 1 October 2019	115,8	153,8	34,0	52,8	356,4
Additions	34,0	46,2	4,2	–	84,4
Disposals	(34,5)	(11,3)	–	–	(45,8)
Transfer to assets held for sale (refer note 36)	–	(7,8)	–	–	(7,8)
Lease modifications***	–	–	–	(35,9)	(35,9)
Cost movements for current year	115,3	180,9	38,2	16,9	351,3
Current year movements – accumulated depreciation and impairment					
Depreciation*	(47,6)	(53,3)	(8,4)	(13,9)	(123,2)
Disposals	34,5	11,0	–	–	45,5
Transfer to assets held for sale (refer note 36)	–	3,7	–	–	3,7
Lease modifications***	(0,3)	(10,2)	–	23,1	12,6
Accumulated depreciation and impairment movement for current year	(13,4)	(48,8)	(8,4)	9,2	(61,4)
Carrying value at the end of the year					
Cost	115,3	180,9	38,2	33,2	367,6
Accumulated depreciation and impairment	(13,4)	(48,8)	(8,4)	(5,1)	(75,7)
Net balance at the end of the year	101,9	132,1	29,8	28,1	291,9

** Relates to depreciation for total operations.*
**** Relates to modifications to leases due to changing in terms, rates and exchange rates.*
 # Opening balance includes assets previously reported as capitalised leases which has now become right-of-use assets.

GROUP (R'million)	Goodwill	Trademarks, licence agreements and other	Customer lists	Total
13 GOODWILL AND INTANGIBLE ASSETS				
13.1 Movement of group goodwill and intangible assets				
2021				
Carrying value at the beginning of the year				
Cost	**2 575,2**	**1 768,5**	**542,3**	**4 886,0**
Accumulated amortisation and impairment	**(1 377,2)**	**(492,0)**	**(73,3)**	**(1 942,5)**
Net balance at the beginning of the year	**1 198,0**	**1 276,5**	**469,0**	**2 943,5**
Current year movements – cost				
Disposals	**(13,0)**	**–**	**–**	**(13,0)**
Exchange rate adjustments	**(5,1)**	**(8,2)**	**–**	**(13,3)**
Cost movements for the current year	**(18,1)**	**(8,2)**	**–**	**(26,3)**
Current year movements – accumulated amortisation and impairment				
Amortisation	**–**	**(8,0)**	**(0,6)**	**(8,6)**
Accumulated amortisation and impairment movement for the current year	**–**	**(8,0)**	**(0,6)**	**(8,6)**
Carrying value at the end of the year				
Cost	**2 557,1**	**1 760,3**	**542,3**	**4 859,7**
Accumulated amortisation and impairment	**(1 377,2)**	**(500,0)**	**(73,9)**	**(1 951,1)**
Net balance at the end of the year	**1 179,9**	**1 260,3**	**468,4**	**2 908,6**
2020				
Carrying value at the beginning of the year				
Cost	2 568,6	1 758,1	542,3	4 869,0
Accumulated amortisation and impairment	(1 091,2)	(483,3)	(72,7)	(1 647,2)
Net balance at beginning of the year	1 477,4	1 274,8	469,6	3 221,8
Current year movements – cost				
Disposals	–	(0,8)	–	(0,8)
Exchange rate adjustments	6,6	11,2	–	17,8
Cost movements for the current year	6,6	10,4	–	17,0
Current year movements – accumulated amortisation and impairment				
Amortisation	–	(8,7)	(0,6)	(9,3)
Impairment (refer note 14)	(286,0)	–	–	(286,0)
Accumulated amortisation and impairment movement for the current year	(286,0)	(8,7)	(0,6)	(295,3)
Carrying value at the end of the year				
Cost	2 575,2	1 768,5	542,3	4 886,0
Accumulated amortisation and impairment	(1 377,2)	(492,0)	(73,3)	(1 942,5)
Net balance at the end of the year	1 198,0	1 276,5	469,0	2 943,5

Trademarks and licence agreements comprise well-established, growing brands. The brand portfolios are considered to have indefinite useful lives and are therefore not amortised, with the exception of trademarks with a carrying value of R50,0 million (2020: R66,8 million) which are viewed with a definite useful life and thus amortised. Refer to accounting policies for further details on amortisation.

13 GOODWILL AND INTANGIBLE ASSETS continued

GROUP (R'million)	Goodwill 2021	Goodwill 2020	Indefinite useful life intangible assets 2021	Indefinite useful life intangible assets 2020
13.2 The carrying value is allocated to cash-generating units as follows:				
Exports and International	**331,2**	336,3	**519,1**	519,1
Beverages	**580,5**	580,5	**194,6**	194,6
Snacks & Treats	**–**	–	**119,6**	119,6
Groceries	**72,3**	72,3	**725,0**	725,0
HPCB	**195,9**	208,9	**120,4**	120,4
	1 179,9	1 198,0	**1 678,7**	1 678,7

14 IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS

If there is an indication of impairment, or at least annually, all indefinite life intangible assets and goodwill are assessed for impairment unless stated otherwise. Goodwill acquired through business combinations, trademarks, licence agreements and customer lists have been allocated to cash-generating units to facilitate this assessment.

The key assumptions disclosed below are based on management's past experience and expectations. Based on this experience and the well-established brands the group owns, management considers forecast cash flow periods of five years to be appropriate.

14.1 Methods and assumptions

The group applies a discounted cash flow methodology (value in use) to assess goodwill and certain indefinite life intangible assets for impairment. Where this results in a value lower than the carrying amount, the higher of this value or the fair value less costs of disposal is used. For the current year, all recoverable amounts were based on the value in use, being the higher value. This methodology entails a calculation of the present value of future cash flows generated by applicable cash-generating units over a period of five years and incorporates a terminal growth rate.

These cash flows have been based on the approved budget for the 2022 financial year which include assumptions on profit before interest and tax, depreciation, working capital movements, capital maintenance expenditure, an appropriate discount rate and a terminal growth rate. The terminal growth rate used is 5,5% (2020: 5,5%), however, it is dependent on the industry and maturity of the cash-generating unit.

14.2 Discount rates

The group has calculated a weighted average cost of capital (WACC) which is utilised as a basis for performing the value-in-use calculation. In cases where the cash-generating unit is deemed to be of greater risk than the group as a whole, a risk premium has been included within the discount rate applied. The discount rate utilised for the purposes of the impairment testing was between 12,2% for South African entities and 17,0% for the international component of Davita (2020: 12,7% and 17,4%). A pre-tax discount rate for purpose of the impairment testing would be between 16,9% and 24,8% (2020: 17,6% and 25,5%).

14.3 Growth rates

In determining the growth rate, consideration is given to the growth potential of the respective cash-generating unit. As part of this assessment, a prudent outlook is adopted that mirrors an inflationary increase in line with the consumer price index and real growth expected within the specific market. Based on these factors, the nominal price growth rates applied for the purposes of the impairment testing ranges between 5% and 8%. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business.

14 IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS continued

14.4 Specific impairments in the current year

The table below reflects the detail of the respective impairments for the year, with the comparatives noted.

(R'million)	GROUP 2021	GROUP 2020
International and Exports – Goodwill[1]	–	(250,0)
International and Exports – Property, plant and equipment[2]	(139,1)	(199,2)
Consumer Brands – Goodwill[3]	–	(36,0)
Consumer Brands Food – Property, plant and equipment[4]	(15,1)	(83,2)
Other – Investment in associated company[5]	–	(117,7)
Total	(154,2)	(686,1)

(R'million)	COMPANY 2021	COMPANY 2020
Other – Investment in associated company[5]	–	(74,7)
Other – Interest in subsidiary	–	(140,0)
Total	–	(214,7)

[1] *Davita is included in the Exports and International cash-generating unit. The impairment arose during the previous reporting period as a result of the consistent risks associated with key export markets, as well as lower sales forecast for the powdered seasoning brand, Benny. During the six-month period ended 31 March 2020, a five-year discounted cash flow model was used with the post-tax discount rate utilised for the purposes of impairment testing of 18,4%. The impact of Covid-19-led economic challenges as far as could be estimated at the time, were factored into the cash flow forecasts. During the period under review, Davita was evaluated for impairment testing. No further impairment was required in 2021 as there was sufficient headroom on the remaining carrying value of the goodwill.*

[2] *Property, plant and equipment in the Deciduous Fruit business (LAF) was fully impaired by R139,1 million (2020: R196,5 million), down to its recoverable amount. The downturn in LAF, which is predominantly an export sales business, continued from the previous reporting period which resulted in an impairment down to zero.*

[3] *Goodwill relating to the Personal Care category within the HPC business was impaired in the prior financial year.*

[4] *During the current year R15,1 million relating to property, plant and equipment in the Groceries business and the IT function was impaired. Subsequent to the reclassification to held for sale in terms of IFRS 5 in the prior financial year, Value Added Meat Products' (VAMP) property, plant and equipment was remeasured to fair value less costs of disposal per IFRS 5.*

[5] *In the prior year, as part of the annual impairment assessment performed for all investments, using the methods and assumptions as noted in note 14.1, R117,7 million (R74,7 million in company) was impaired in relation to the UAC Foods (UAC) investment in associate. Refer note 15.3 for further details.*

The impairments recognised in the current year are as a result of the annual impairment assessment performed on property, plant and equipment, goodwill and indefinite useful life intangible assets.

14.5 Changes in key assumptions

The determined value in use of each cash-generating unit is sensitive to the discount rate. No reasonably probable change in any of the above key valuation assumptions would cause the carrying amount of cash-generating units to materially exceed their recoverable amounts.

15 INVESTMENTS IN ASSOCIATED COMPANIES

15.1 (For more detail, refer Annexure B)

COMPANY 2021	COMPANY 2020	(R'million)	GROUP 2021	GROUP 2020
97,1	97,1	Listed, at cost	97,1	601,6
–	96,4	Unlisted, at cost less amounts written off	584,8	638,1
		Share of accumulated other comprehensive income	(596,9)	(393,2)
		Share of accumulated profits since acquisition	2 315,7	1 594,3
97,1	193,5		2 400,7	2 440,8
		The trading results of the associate companies whose results are equity accounted in the consolidated financial statements are as follows:		
		Revenue (100%)	21 042,8	25 090,7
		Profit for the year (100%)	1 312,8	1 337,7

15.2 Reconciliation of associates income

(R'million)	Empresas Carozzi	National Foods Holdings Limited	UAC Foods	Total
2021				
Income attributable to ordinary shareholders of Tiger Brands	**296,0**	**31,0**	**18,9**	**345,9**
Less: Total dividends	**(115,4)**	**(11,8)**	**–**	**(127,2)**
Total share of associated companies' income less dividends received	**180,6**	**19,2**	**18,9**	**218,7**
2020				
Income attributable to ordinary shareholders of Tiger Brands before non-operational items	285,7	57,4	8,2	351,3
Non-operational items	–	–	1,1	1,1
Income attributable to ordinary shareholders of Tiger Brands	285,7	57,4	9,3	352,4
Less: Total dividends	(105,5)	(8,7)	–	(114,2)
Total share of associated companies' income less dividends received	180,2	48,7	9,3	238,2

NOTES TO THE FINANCIAL STATEMENTS continued

15 INVESTMENTS IN ASSOCIATED COMPANIES continued

15.3 Impairment of investment in associated company

During the prior year R117,7 million (R74,7 million in company) was impaired in relation to the UAC Foods (UAC) associate investment. Given the adverse market outlook for the Nigeria economy, the deteriorating macro-economic factors within Nigeria, further exacerbated by currency devaluations as well as forex supply and liquidity challenges, the investment in UAC was impaired down to its recoverable amount. The EBITA multiple valuation technique was adopted using an appropriate, comparable EBITDA multiple.

15.4 (Loss)/profit on disposal of investment in associated company

On 1 September 2021, the UAC associate investment was effectively disposed. This resulted in a loss on sale of R10,8 million (R43,6 million profit in company).

15.5 Summarised statement of financial position of all associates

The aggregate statement of financial position of all associates are summarised as follows (100%):

	GROUP	
(R'million)	**2021**	**2020**
Property, plant and equipment	**10 641,2**	12 693,5
Goodwill and intangible assets	**3 423,0**	4 093,9
Investments	**14,3**	59,9
Deferred taxation	**239,7**	233,6
Net current assets	**8 183,9**	3 404,7
Total assets	**22 502,1**	20 485,6
Long-term liabilities	**(5 307,8)**	(6 260,5)
Deferred taxation	**(1 997,1)**	(2 251,0)
Total shareholders' funds	**15 197,2**	11 974,1

15.6 The assessment criteria as noted in the accounting policies is performed annually. Empresas Carozzi has met the assessment criteria to be classified as a material associate in the current year and thus further disclosure is provided in Annexure B.

COMPANY				GROUP	
2021	**2020**		**(R'million)**	**2021**	**2020**
		16	**OTHER INVESTMENTS**		
12,5	14,1		Listed, at fair value*	**311,3**	292,3
9,7	8,4		Unlisted, at fair value	**9,7**	8,4
			Employer controlled reserve invested by one pension fund on behalf of Tiger Brands Limited		
			– Defined contribution	**4,4**	3,1
			– Defined benefit (refer note 30)	**80,3**	79,9
1 610,4	1 610,4		BEE Phase II empowerment entities' preference shares**		
582,1	575,8		Notional investment in subsidiary companies in terms of IFRS 2		
			Other***	**196,1**	–
2 214,7	2 208,7			**601,8**	383,7

* *Listed investments comprise Oceana Limited, Adcock Ingram Holdings Limited, Spar Limited and JSE Limited (company-listed investments includes JSE Limited only).*

** *Classified as FVTPL under IFRS 9.*

*** *Included in the Other investments is the portion of proceeds arising from the disposal of the Value Added Meat Products (VAMP) business held in escrow in terms of the sales contracts. The proceeds will be released once the terms and conditions of sales contracts have been completely fulfilled.*

COMPANY				GROUP	
2021	**2020**		**(R'million)**	**2021**	**2020**
		17	**LOANS**		
			Loans to empowerment entities		
84,6	–		Tiger Brands Foundation*		
12,4	–		Thusani II*		
			Dipuno**	**37,3**	27,8
1,1	2,5		Other*#	**7,0**	2,5
98,1	2,5			**44,3**	30,3

* *Classified as FVTPL under IFRS 9.*

** *This relates to the long-term portion of the loan to Dipuno. During the current year an additional R20 million was advanced as a loan to Dipuno. A day-one fair value loss of R8,0 million and an impairment of R4,5 million was recognised in the current year.*

Included in Other is an additional loan of R5,9 million provided as part of the Tiger Brands Enterprise Development programme.

NOTES TO THE FINANCIAL STATEMENTS continued

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		18	**DEFERRED TAXATION**		
		18.1	**Reconciliation of deferred taxation**		
(5,2)	(5,2)		Balance at beginning of year	**(337,1)**	(402,1)
			Fair value adjustments – investments	**(3,5)**	5,4
			Effective adoption of IFRS 16 as at 1 October 2019	**–**	12,9
			IAS 19 adjustments taken to other comprehensive income	**19,6**	(16,4)
			Adjustment in respect of currency losses taken directly to other comprehensive income	**2,1**	5,0
–	–		Income statement movement – continuing operations	**169,4**	56,9
			Income statement movement – discontinued operation	**–**	34,2
			Transfer to assets held for sale (refer note 36)	**–**	(33,0)
(5,2)	(5,2)		**Balance at the end of the year**	**(149,5)**	(337,1)
		18.2	**Analysis of deferred taxation**		
			Property, plant and equipment	**(543,3)**	(569,2)
			Liability in respect of intangibles raised on acquisition of businesses	**(141,5)**	(143,4)
			Withholding taxes	**(31,0)**	(88,2)
			Retirement fund surpluses	**(34,9)**	(44,5)
			Fair value adjustments – investments	**(13,6)**	(9,7)
			Prepayments	**(3,3)**	(3,9)
			Provisions	**623,0**	528,7
			Income received in advance	**2,4**	1,5
			Revaluation of loans	**15,8**	13,7
(5,2)	(5,2)		Other temporary differences	**(23,1)**	(22,1)
(5,2)	(5,2)			**(149,5)**	(337,1)
			Disclosed on the statement of financial position as follows:		
			Deferred tax asset	**33,6**	22,4
(5,2)	(5,2)		Deferred tax liability	**(183,1)**	(359,5)

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		19	**INVENTORIES**		
			Raw materials	**2 136,8**	1 962,8
			Partially processed goods (WIP)	**63,4**	68,3
			Finished goods and merchandise	**3 456,8**	3 074,2
			Consumable stores and minor spares	**237,0**	199,7
			Other	**10,7**	19,9
			Inventory value, net of provisions	**5 904,7**	5 324,9
			Inventories carried at net realisable value included in total inventories	**209,7**	16,6
			Inventories written down and recognised in cost of sales as an expense	**163,0**	105,5
			Inventory provision deducted in arriving at total inventories net of provisions	**327,1**	355,3
			Inventories written down and recognised in cost of sales as an expense as a result of the product recall (refer to note 3.1)	**308,3**	
			Inventories written down and recognised in cost of sales as an expense as a result of the civil unrest (refer to note 3.2)	**85,2**	
		20	**TRADE AND OTHER RECEIVABLES#**		
		20.1	**Analysis of trade and other receivables**		
			Trade receivables	**2 964,5**	3 102,9
			VAT receivable	**63,2**	65,9
58,1	79,3		Sundry receivables	**117,3**	172,5
			Prepayments	**183,8**	229,9
			Pension fund contribution holiday (refer note 30)	**39,9**	75,9
1,0	2,1		Tax receivable	**46,2**	38,1
			Rebates receivable	**4,4**	3,8
59,1	81,4		Total gross receivables	**3 419,3**	3 689,0
(58,1)	(77,7)		Expected credit loss	**(124,2)**	(186,0)
1,0	3,7		Total net receivables	**3 295,1**	3 503,0

Trade receivables, which generally have 30 to 60-day terms, are non-interest-bearing and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Included within sundry receivables is derivative assets of R3,2 million (2020: R3,0 million) which are carried at fair value, refer note 33.7 for further details.

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP 2020
		20.2	**Expected credit loss**		
(77,7)	(61,5)		Balance at the beginning of the year	**(186,0)**	(83,4)
–	–		Utilised during the year	**5,6**	3,6
19,6	–		Reversed during the year	**58,2**	21,1
–	(16,2)		Raised during the year	**(2,0)**	(127,6)
–	–		Transfer to assets held for sale (refer note 36)	**–**	0,3
(58,1)	(77,7)		Balance at the end of the year*	**(124,2)**	(186,0)

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).
* *The expected credit loss (ECL) results in the recognition of a loss allowance before the credit loss is incurred. Factors that are considered must account for current conditions along with reasonable and supportable forward-looking information that is not time consuming or costly to obtain. The company has adopted the "simplified approach" in determining the ECL.*

20 TRADE AND OTHER RECEIVABLES continued

20.2 Expected credit loss continued

Considering that IFRS 9 does not provide an explicit guide or any specific requirements we have opted to use a provision matrix approach to calculate the ECL. This involves allocating individual trade debtors into groups that share similar credit risk characteristics.

Customer's risk rating was determined by applying the following criteria:
– Historical data spanning three years which include payment history and behavioural trends
– Economic environment that has a significant impact to each customer
– Geographical location of the customer.

The percentage used to calculate the ECL for each risk segment was determined by:
– Past three years specific impairment provisions
– Past three years specific bad debts written off
– Past three years trade credit insurance claims ratios
– Management's forward-looking analysis of the FMCG environment
– An unbiased approach that involves evaluating a range of possible outcomes based on current economic trends.

The company makes use of selective trade credit insurance. For those debtors that are not insured, the full carrying value of the outstanding debt was included in the calculation of the ECL. For those debtors that are insured, only the uninsured portion of the debt was included in the calculation of the ECL.

A process of identifying specific impairments is included in the total impairment provision. Management will raise a specific impairment provision when all internal and or pre-legal efforts to collect overdue debt has been exhausted.

	Performing receivables					
(R'million)	Low risk	Medium risk Level 1	Medium risk Level 2	Medium risk Level 3	Defaulted receivables	Total
As at 30 September 2021	**1 833,0**	**380,8**	**376,8**	**346,3**	**27,6**	**2 964,5**
Allowance for doubtful debts*	**–**	**(16,0)**	**(4,6)**	**(95,6)**	**(27,6)**	**(143,8)**
Net amount	**1 833,0**	**364,8**	**372,2**	**250,7**	**–**	**2 820,7**
% risk mitigating factor	**–**	**(4,2%)**	**(1,2%)**	**(27,6%)**	**(100%)**	**(4,9%)**
2020#						
As at 30 September 2020	1 812,3	410,0	391,5	470,0	19,1	3 102,9
Allowance for doubtful debts*	–	(3,4)	(4,9)	(135,8)	(19,1)	(163,2)
Net amount	1 812,3	406,6	386,6	334,2	–	2 939,7
% risk mitigating factor	–	(0,8%)	(1,3%)	(28,9%)	(100%)	(5,3%)

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).
* *Excludes allowance for doubtful debts reversal relating to sundry debtors of R19,6 million (2020: R22,8 million raised).*

COMPANY 2021	COMPANY 2020		(R'million)	GROUP 2021	GROUP Restated# 2020
		20	**TRADE AND OTHER RECEIVABLES** continued		
		20.3	**Past due analysis**		
			As at 30 September, the ageing of trade receivables was as follows:		
			Not past due*	**2 805,3**	2 277,3
			Past due:		
			Current to 60 days	**86,1**	508,3
			61 to 90 days	**18,8**	68,3
			91 to 180 days	**40,2**	249,0
			> 180 days	**14,1**	–
			Total	**2 964,5**	3 102,9
			As at 30 September, the ageing of all other receivables, excluding tax receivable and prepayments was as follows:		
2,9	5,2		Not past due	**69,6**	25,0
			Past due:		
–	0,3		Current to 60 days	**72,5**	127,0
–	–		61 to 90 days	**0,4**	131,0
7,2	–		91 to 180 days	**7,1**	0,8
48,0	73,8		> 180 days	**75,2**	34,3
58,1	79,3		Total	**224,8**	318,1
		20.4	**Trade receivable analysis**		
			Industry spread of trade receivables:		
			Retail	**1 701,3**	1 528,5
			Wholesale/Distributors	**692,5**	759,8
			Export	**476,8**	564,4
			Other	**93,9**	250,2
			Total	**2 964,5**	3 102,9
			Geographical spread of trade receivables:		
			South Africa	**2 448,3**	2 488,1
			Rest of Africa	**411,7**	465,2
			Europe	**36,8**	55,1
			Rest of the World	**67,7**	94,5
			Total	**2 964,5**	3 102,9
		20.5	**Collateral held**		
			Fair value of collateral held	**52,6**	34,1
			Collateral held represents hawker deposits which may be applied against accounts which are in default		

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).
* *Debtors that are neither past due nor impaired are made up of customers with high credit ratings and with a sound payment history.*

NOTES TO THE FINANCIAL STATEMENTS continued

21 RESTATEMENTS

21.1 Restatement of customer rebates

As part of the group's continued IFRS 15 *Revenue from Contracts with Customers* compliance assessment it was noted that the company has historically presented certain rebate payable balances to customers as part of the "Trade and other payables" balance as opposed to offsetting these against the "Trade and other receivables" line as required by the accounting standard. This error has been corrected in the current year with rebate receivable balances of R416,8 million relating to the 2020 financial year and R398,5 million relating to the 2019 financial year being reclassified from the "Trade and other payables" line to the "Trade and other receivables" line. This affects the statement of financial position and statement of cash flows lines as follows:

	2020			2019		
(R'million)	Previously reported	Effect of change	Restated	Previously reported	Effect of change	Restated
Statement of financial position						
Trade and other receivables	3 919,8	(416,8)	3 503,0	3 987,8	(398,5)	3 589,3
Total current assets	11 034,7	(416,8)	10 617,9	11 213,4	(398,5)	10 814,9
Total assets	**22 334,0**	**(416,8)**	**21 917,2**	**22 180,5**	**(398,5)**	**21 782,0**
Trade and other payables	4 509,6	(416,8)	4 092,8	4 504,6	(398,5)	4 106,1
Total current liabilities	5 168,1	(416,8)	4 751,3	5 625,2	(398,5)	5 226,7
Total equity and liabilities	**22 334,0**	**(416,8)**	**21 917,2**	**22 180,5**	**(398,5)**	**21 782,0**
Statement of cash flows						
Working capital						
(Increase)/decrease in trade and other receivables	(109,8)	416,8	307,0			
Decrease in trade and other payables	(3,0)	(416,8)	(419,8)			

21.2 Restatement of operating income before impairment and non-operational items

As part of the JSE's proactive monitoring of financial statements review, and the group's continued IFRS compliance assessment it is noted that the group has historically presented abnormal items on the income statement. As previously defined in the group's accounting policies, abnormal items included items of income and expenditure which are not directly attributable to normal operations or where their size or nature are such that additional disclosure is considered appropriate. Management has re-evaluated what is included as abnormal items based on the size, growth and evolving complexity of the group, and subsequently re-labelled this function to non-operational items which is detailed in the accounting policies. As a result of this, it was deemed appropriate to restate the comparatives as it would be incorrect to classify certain costs as non-operational under the new function name.

The below costs are not deemed non-operational in nature and thus reclassified into other operating expenses:

(R'million)	2020
Restructuring and related costs	68.2
Davita legal settlement	66.6
Early settlement of lease liability	(10.7)
	124,1

The cash operating profit for the prior year has been restated for the non-cash movement of the above.

A new subtotal referred to as operating income after impairments has been introduced.

COMPANY				GROUP	
2021	2020		(R'million)	2021	2020
		22	**SHARE CAPITAL**		
		22.1	**Authorised share capital**		
			250 000 000 (2020: 250 000 000) ordinary shares of 10 cents each		
19,0	19,0	**22.2**	**Issued share capital**	**19,0**	19,0
			189 818 926 (2020: 189 818 926)		
19,0	19,0		ordinary shares of 10 cents each	**19,0**	19,0
123,0	123,0	**22.3**	**Share premium**	**123,0**	123,0
123,0	123,0		Balance at end of year	**123,0**	123,0
142,0	142,0			**142,0**	142,0
Number of shares				Number of shares	
2021	2020			2021	2020
60 181 074	60 181 074	**23**	**UNISSUED SHARES**	**60 181 074**	60 181 074
		23.1	**Tiger Brands Limited shares held by subsidiary**		
			10 326 758 (2020: 10 326 758) shares are held as treasury stock		
		23.2	**Tiger Brands Limited shares held by empowerment entities**		
			13 706 237 (2020: 13 768 226) shares are owned by empowerment entities		

COMPANY				GROUP	
2021	2020		(R'million)	2021	2020
		24	**TAX EFFECT OF OTHER COMPREHENSIVE INCOME**		
			The tax effect of the items reflected in the statement of comprehensive income is as follows:		
			Foreign currency transaction adjustments	**3,8**	–
			Net gain/(loss) on cash flow hedges	**(1,7)**	5,0
			Net gain/(loss) FVOCI financial assets	**(3,5)**	5,4
			Net gain/(loss) on hedge of net investment in foreign operations	**1,6**	(8,0)
			Remeasurement raised in terms of IAS 19R	**19,6**	(16,4)
				19,8	(14,0)
		25	**TRADE AND OTHER PAYABLES#**		
			Trade payables	**2 827,1**	2 308,7
			Rebates and incentives accruals*	**931,6**	715,9
			Accruals	**964,6**	753,6
			VAT payable	**49,9**	40,9
37,9	27,0		Other creditors	**356,0**	271,4
			Defined benefit pension fund liability (refer note 30)	**2,3**	2,3
37,9	27,0			**5 131,5**	4 092,8

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).
* *During the year, R4,1 billion (2020: R4,0 billion) was raised and R3,9 billion (2020: R3,8 billion) was settled.*

Trade payables are non-interest bearing and are normally settled within 30 to 45-day terms. Included within other creditors is derivative liabilities of R18,1 million (2020: R16,1 million) which are carried at fair value. Refer note 33.7 for further details.

NOTES TO THE FINANCIAL STATEMENTS continued

	(R'million)	GROUP 2021	GROUP 2020
26	**EMPLOYEE-RELATED ACCRUALS**		
	Leave pay	**252,0**	289,3
	Employee-related benefits	**183,8**	52,2
	Restructuring accruals	**55,1**	78,8
	Other employee-related accruals	**36,2**	33,6
		527,1	453,9

Included in "Other" is cash-settled share-based payments of R9,5 million (2020: R6,4 million).

	(R'million)	GROUP 2021	GROUP 2020
27	**BORROWINGS**		
	In terms of the group's delegation of authority, the group's borrowings are subject to specific approval processes. Any secured and unsecured loans are all at floating rates unless otherwise stated.		
27.1	**Lease liability**		
	Current year movements in relation to leases are as follows:		
	Opening balance (1 October)	**336,2**	412,7
	New leases and lease modifications	**447,8**	64,3
	Accretion of interest	**38,1**	28,3
	Payments	**(254,8)**	(164,9)
	Transfer to held for sale	**–**	(4,2)
		567,3	336,2
	The group utilised an IBR between 5.0% and 8.5% for the different classes of assets identified.		
	Lease liabilities relate to right-of-use assets with a book value of R525,2 million (2020: R291,9 million) as per note 12.3.		
	The maturity analysis of lease liabilities is disclosed in note 33.4.		
27.2	**Long-term borrowings**		
	Long-term portion of lease liability	**399,0**	197,2
27.3	**Short-term borrowings**	**168,3**	141,0
	Bank overdrafts	**–**	2,0
	Short-term portion of lease liability	**168,3**	139,0

	(R'million)	GROUP 2021	GROUP 2020
28	**GROUP COMMITMENTS**		
28.1	Approved capital expenditure, which will be financed from the group's own resources, is as follows:		
	Contracted	**277,0**	162,7
	Not contracted	**1 506,6**	1 369,3
		1 783,6	1 532,0

28.2 The capital commitments noted above include various capital efficiency and expansion projects.

28.3 Commitments in respect of inventories

In terms of its normal business practice certain group operations have entered into commitments to purchase certain agricultural inputs over their respective seasons.

28.4 Commitments in respect of transport

The group maintains long-term contracts, including certain minimum payments, with various transport companies for the distribution of its products.

29 SHARE-BASED PAYMENT

The total expense recognised for employee services received during the year ended 30 September 2021 is R41,3 million (2020: R66,1 million). Of the total expense recognised, the portion arising from the share appreciation rights, performance shares and restricted shares option transactions amounted to a credit of R21,1 million resulting from forfeitures, R27,5 million expense and R24,8 million expense (2020: R9,4 million expense, R16,0 million expense and R24,0 million expense) respectively. The remaining expense relates to the cost associated with the BMT 1 scheme of R6,3 million (2020: R13,8 million) and cash-settled share-based payments of R3,8 million (2020: R3,3 million income). No expense was raised for BMT 2 in the current year as the scheme was wound up in the 2020 financial period (2020: R6,2 million).

Detailed disclosure of each scheme and the respective assumptions and valuation inputs have been included in Annexure D.

30	**PENSION ASSET**	GROUP 2021	GROUP 2020
	Movement in the net asset recognised in the statement of financial position		
	Balance at the beginning of the year	**153,5**	149,0
	Contributions paid	**256,6**	271,8
	Employer surplus transferred*	**(39,5)**	–
	Other movements (net expense in the income statement)	**(255,1)**	(262,3)
	Interest cost	**(24,5)**	(22,3)
	Current service cost	**(261,0)**	(274,0)
	Interest on plan assets	**31,0**	35,8
	Interest on limit	**(0,6)**	(1,8)
	Remeasurements recognised in other comprehensive income	**2,4**	(5,0)
	Net actuarial gain/(loss) in terms of IAS 19R	**11,5**	(21,3)
	Unrecognised (loss)/gain due to paragraph 65 limit in terms of IAS 19R	**(9,1)**	16,3
	Balance at the end of the year	**117,9**	153,5
	The net asset is included in the statement of financial position as follows:		
	Other investments (refer note 16)	**80,3**	79,9
	Pension fund contributions holiday (refer note 20)	**39,9**	75,9
	Defined benefit pension fund liability (refer note 25)	**(2,3)**	(2,3)
		117,9	153,5

Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure E.

* *The employer surplus in the ICS Pension Fund was transferred to other Tiger Brands funds during the year, leaving nil asset and liability balance in this pension fund.*

(R'million)	GROUP 2021	GROUP 2020
31 POST-RETIREMENT MEDICAL AID OBLIGATIONS		
Balance at the end of the year		
Present value of obligations	**563,8**	517,9
Liability at reporting date	**563,8**	517,9
Movement in the liability recognised in the statement of financial position:		
Balance at the beginning of the year	**517,9**	582,8
Contributions paid	**(49,6)**	(49,8)
Other expenses included in staff costs	**55,0**	56,3
Current service cost	**1,6**	1,8
Interest cost	**53,4**	54,5
Actuarial gain/(loss) released in terms of IAS 19R	**32,7**	(63,6)
Transfer to assets held for sale (refer note 36)#	**7,8**	(7,8)
Balance at the end of the year	**563,8**	517,9

 # Previously disclosed as held for sale, but has now been reinstated at the conclusion of the sale.

The employer's estimate of contributions expected to be paid for the 2022 financial year is R49,6 million (2021: R49,8 million).

Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure F.

(R'million)	GROUP 2021	GROUP 2020
32 GUARANTEES AND CONTINGENT LIABILITIES		
Guarantees (unutilised)	**23,4**	20,1

COMPANY

Guarantees exist against the company for the obligations of certain subsidiaries amounting to R3,6 million at 30 September 2021 (2020: R3,5 million).

Contingent liabilities

The Class Action against the company arising from the outbreak of listeriosis was certified by the High Court on 3 December 2018. Summons was issued on 16 April 2019. A plea was filed by the company on 8 August 2019. The parties are now engaged in pre-trial preparation while subpoenas were issued for the disclosure of information by third parties, which is pertinent to the outbreak.

In June 2020, the High Court (Gauteng Local Division, Johannesburg) ruled in favour of the company, compelling the third parties including, the National Institute for Communicable Diseases (NICD), the South African Bureau of Standards (SABS), two accredited national laboratories and various meat producers to provide epidemiological information required for the Class Action lawsuit. All of the third parties (except the SABS) who applied for leave to appeal against the High Court decision were granted leave to appeal to the Supreme Court of Appeal (SCA) on 15 September 2020. The appeal was heard on 5 November 2021 and judgment has been reserved.

Pending the outcome of the appeal the parties have continued to attend to pre-trial preparations, including discovery in terms of the Rules of Court.

As previously confirmed, the company has product liability insurance cover appropriate for a group of its scale. Coverage is subject to the terms and limits of the policy. Our insurers have advised that the product liability policy does not include cover for exemplary or punitive damages should such an award be made by the court and in addition, should an award be made for constitutional damages, the product liability policy will not cover that portion of the award which relates to exemplary or punitive damages not compensatory in nature. The company reserves its rights in this regard.

The quantum of claims that may be awarded to the plaintiffs will be determined once liability is confirmed by the courts at the first stage of the Class Action. As liability and the quantum of claims are yet to be determined by the courts, it will be impractical to disclose any estimate of the financial effects of the Class Action claims on the company at this time.

33 FINANCIAL INSTRUMENTS

The group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising principally as a result of commodity price, currency and interest rate fluctuations. The use of derivatives for the hedging of firm commitments against commodity price, foreign currency and interest rate exposures is permitted in accordance with group policies, which have been approved by the board of directors. Where significant finance is taken out, this is approved at board meetings.

The foreign exchange contracts outstanding at year end are marked-to-market at the prevailing closing spot rate.

The group finances its operations through a combination of retained surpluses, bank borrowings and long-term loans.

The group borrows short-term funds with fixed or floating rates of interest through a subsidiary company, Tiger Consumer Brands Limited.

The main risks arising from the group's financial instruments are, in order of priority, procurement risk, foreign currency risk, interest rate risk, liquidity risk and credit risk as detailed in the following notes.

33.1 Procurement risk (commodity price risk)

Commodity price risk arises from the group being subject to raw material price fluctuations caused by supply conditions, weather, economic conditions and other factors. The strategic raw materials acquired by the group include wheat, maize, rice, oats and sorghum.

The group uses commodity futures and options contracts or other derivative instruments to reduce the volatility of commodity input prices of strategic raw materials. These derivative contracts are only taken out to match an underlying physical requirement for the raw material. The group does not write naked derivative contracts.

The group has developed a comprehensive risk management process to facilitate, control and to monitor these risks. The procurement of raw materials takes place in terms of specific mandates given by the executive management. Position statements are prepared on a monthly basis and these are monitored by management and compared to the mandates.

The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterparty limits, controlling and reporting structures.

At year end the exposure to derivative contracts relating to strategic raw materials is as follows:

	Derivative contracts expiring within 0 to 3 months		Derivative contracts expiring within 3 to 6 months
(R'million)	Unrealised (profit)/loss at 30 September	Hedged value	Hedged value
GROUP			
2021			
Maize and wheat			
Options	**(0,5)**		**66,2**
Futures	**(4,6)**	**198,3**	
2020			
Maize and wheat			
Futures	(1,5)	114,2	

Commodity price sensitivity is not applicable to the company.

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk

The group enters into various types of foreign exchange contracts as part of the management of its foreign exchange exposures arising from its current and anticipated business activities.

As the group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise. Exchange rate exposures on transactions are managed within approved policy parameters utilising forward exchange contracts or other derivative financial instruments in conjunction with external consultants who provide financial services to group companies as well as contributing to the management of the financial risks relating to the group's operations.

The group does not hold foreign exchange contracts in respect of foreign borrowings, as its intention is to repay these from its foreign income stream or subsequent divestment of its interest in the operation. Foreign exchange differences relating to investments, net of their related borrowings, are reported as translation differences in the group's net other comprehensive income until the disposal of the net investment, at which time exchange differences are recycled through profit or loss.

Forward exchange contracts are entered into to cover import exposures and export exposures, on an individual currency basis. The fair value is determined using the applicable foreign exchange spot rates at 30 September 2021.

The exposure and concentration of foreign currency risk is included in the table below.

(R'million)	South African rand	US dollar	Pound sterling	Euro	Other[#]	Total
GROUP						
2021						
Financial assets						
Trade and other receivables	**2 713,0**	**72,1**	**6,8**	**35,5**	**134,6**	**2 962,0**
Cash and cash equivalents	**844,3**	**891,8**	**7,5**	**46,4**	**371,8**	**2 161,8**
Financial liabilities						
Borrowings	**(565,2)**	**–**	**–**	**–**	**(2,1)**	**(567,3)**
Trade and other payables	**(5 072,8)**	**(180,1)**	**–**	**(6,2)**	**(347,3)**	**(5 606,4)**
2020						
Financial assets						
Trade and other receivables[#]*	2 753,7	107,1	40,2	20,7	171,5	3 093,2
Cash and cash equivalents	651,8	685,3	9,9	29,8	413,2	1 790,0
Financial liabilities						
Borrowings	(335,2)	–	–	–	(3,0)	(338,2)
Trade and other payables[#]	(4 166,6)	(23,4)	(67,0)	(21,5)	(227,3)	(4 505,8)

* *Other includes the Australian dollar, Canadian dollar, Japanese yen, Swiss franc, New Zealand dollar and Cameroon franc.*
[#] *Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).*

33 FINANCIAL INSTRUMENTS continued

33 .2 Foreign currency risk continued

The following spot rates were used to translate financial instruments denominated in foreign currency:

	2021			2020		
	Assets	Liabilities	Average	Assets	Liabilities	Average
GROUP						
US dollar	**15,09**	**15,10**	**15,10**	16,79	16,82	16,81
Pound sterling	**20,35**	**20,36**	**20,35**	21,58	21,63	21,61
Euro	**17,48**	**17,50**	**17,49**	19,63	19,68	19,66

Forward exchange contracts outstanding at the reporting date all fall due within six months. A summary of forward exchange contract positions bought to settle group foreign liabilities and sold to settle group foreign assets is shown below.

	2021			2020		
	Foreign currency (in millions)	Average rate	Rands (in millions)	Foreign currency (in millions)	Average rate	Rands (in millions)
GROUP						
Foreign currency sold						
US dollar	**13,3**	**14,49**	**199,8**	4,8	16,19	81,0
Pound sterling	**0,6**	**20,28**	**12,6**	1,8	20,31	39,1
Euro	**2,9**	**17,05**	**51,0**	1,9	18,40	37,9
Other currencies			**11,3**			20,4
Foreign currency purchased						
US dollar	**32,4**	**14,64**	**478,8**	15,4	15,96	259,8
Pound sterling	**1,8**	**20,48**	**36,7**	2,0	19,80	44,0
Euro	**9,1**	**17,28**	**158,3**	5,8	18,27	114,8
Other currencies		**–**	**25,4**			2,3
Unhedged foreign currency monetary assets						
US dollar	**10,8**	**14,99**	**162,6**	9,3	16,79	156,6
Pound sterling	**0,7**	**20,34**	**14,4**	2,3	21,58	50,1
Euro	**4,7**	**17,55**	**82,6**	2,6	19,63	50,5
Other currencies			**45,5**			55,5
Unhedged foreign currency monetary liabilities						
US dollar	**0,1**	**15,03**	**1,6**	0,1	16,82	2,0
Euro	**–**	**17,46**	**0,5**	–	19,68	0,4
Other currencies			**0,3**			0,1

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

Cash flow hedges

At 30 September 2021, the group had foreign exchange contracts outstanding designated as hedges of future purchases from suppliers outside South Africa for which the group has firm commitments or highly likely forecast transactions.

A summary of these contracts are:

	2021			2020		
	Foreign currency (in millions)	**Average rate**	**Rands (in millions)**	**Foreign currency (in millions)**	**Average rate**	**Rands (in millions)**
GROUP						
Foreign currency bought						
US dollar	**21,2**	**14,79**	**314,2**	1,5	16,44	25,2
Euro	**2,6**	**17,33**	**45,0**	0,3	19,00	5,8
Pound sterling	**0,1**	**20,37**	**2,5**	0,6	20,83	12,9
Japanese yen	**127,2**	**7,40**	**17,2**			
Other						0,8

The terms of the forward currency contracts have been negotiated to match the terms of the commitments.

The cash flow hedge of expected future purchases was assessed to be effective and an unrealised loss of R3,6 million (2020: unrealised loss of R0,8 million) relating to the hedging instrument included in other comprehensive income.

Timing of cash flows relating to foreign currency is as follows:

Foreign currency (in millions)	**1 to 6 months**
GROUP	
US dollar	**21,2**
Euro	**2,6**
Pound sterling	**0,1**
Japanese yen	**127,2**

These are expected to affect the income statement in the following year.

During the year R5,6 million (2020: R16,8 million) was released from other comprehensive income and included in the carrying amount of the non-financial asset or liability (highly probable forecast transactions).

There are no forecast transactions for which hedge accounting was previously used but is no longer expected to occur.

Ineffective hedges to the value of R4,4 million (2020: R1,6 million) have been recognised in profit or loss.

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

Cash flow hedges continued

At 30 September 2021, the group had foreign exchange contracts outstanding designated as hedges of future sales to customers outside South Africa for which the group has firm commitments or highly likely forecast transactions.

A summary of these contracts are:

	2021			2020		
	Foreign currency (in millions)	**Average rate**	**Rands (in millions)**	**Foreign currency (in millions)**	**Average rate**	**Rands (in millions)**
GROUP						
Foreign currency bought						
US dollar	**4,1**	**14,79**	**60,5**	–	16,44	–
Euro	**0,9**	**17,33**	**14,7**	0,7	19,00	12,9
Pound sterling	**0,6**	**20,37**	**12,5**	1,7	20,83	35,4
Canadian dollar	**0,2**	**11,86**	**2,1**			
Australian dollar				0,1	12,41	0,9

The terms of the forward currency contracts have been negotiated to match the terms of the commitments.

The cash flow hedge of expected future sales was assessed to be effective and an unrealised profit of R11,4 million (2020: unrealised profit R0,5 million) relating to the hedging instrument included in other comprehensive income.

Timing of cash flows relating to foreign currency is as follows:

Foreign currency (in millions)	**1 to 6 months**
GROUP	
US dollar	**4,1**
Pound sterling	**0,6**
Euro	**0,9**
Canadian dollar	**0,2**

These are expected to affect the income statement in the following year.

During the year R2,4 million (2020: R4,9 million) was released from other comprehensive income and included in the carrying amount of the non-financial asset or liability (highly probable forecast transactions).

There are no forecast transactions for which hedge accounting was previously used but is no longer expected to occur.

Ineffective hedges to the value of R0,9 million (2020: R2,0 million) have been recognised in profit or loss.

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

Foreign currency sensitivity

The following table details the group's and company's sensitivity to a 10% weakening/strengthening in the ZAR against the respective foreign currencies.

The sensitivity analysis includes only material outstanding foreign currency denominated monetary items as detailed in the table above and adjusts their translation at the reporting date for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other comprehensive income where the ZAR weakens against the relevant currency.

	Other comprehensive income		Profit or loss		Equity	
(R'million)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
GROUP						
USD +10%	**25,0**	(2,6)	**(161,6)**	(89,2)	**(98,4)**	(66,1)
USD -10%	**(25,0)**	2,6	**161,6**	89,2	**98,4**	66,1
Pound sterling +10%	**(1,0)**	2,3	**(33,2)**	3,8	**(24,6)**	4,4
Pound sterling -10%	**1,0**	(2,3)	**33,2**	(3,8)	**24,6**	(4,4)
EUR +10%	**3,0**	0,8	**(74,4)**	(25,6)	**(51,4)**	(17,8)
EUR -10%	**(3,0)**	(0,8)	**74,4**	25,6	**51,4**	17,8
Other +10%	**1,5**	0,9	**75,5**	(81,8)	**55,4**	(58,2)
Other -10%	**(1,5)**	(0,9)	**(75,5)**	81,8	**(55,4)**	58,2
Total +10%	**28,5**	1,4	**(193,7)**	(192,8)	**(119,0)**	(137,7)
Total -10%	**(28,5)**	(1,4)	**193,7**	192,8	**119.0**	137,7
COMPANY						
USD +10%	**–**	–	**0,4**	–	**0,3**	–
USD -10%	**–**	–	**(0,2)**	–	**(0,3)**	–
Other +10%	**–**	–	**3,6**	9,4	**2,6**	6,8
Other -10%	**–**	–	**(4,6)**	(9,4)	**(2,6)**	(6,8)
Total +10%	**–**	–	**4,0**	9,4	**2,9**	6,8
Total -10%	**–**	–	**(4,0)**	(9,4)	**(2,9)**	(6,8)

Forex currency sensitivity on associates

The following table details the group's sensitivity to a 5% weakening/strengthening in the ZAR against the respective currencies in which the associates operate.

	Other comprehensive income	
(R'million)	**2021**	**2020**
GROUP		
Chilean Peso +5%	**(90,5)**	(106,2)
Chilean Peso -5%	**105,7**	117,3
Zimbabwean dollar +5%	**67,8**	4,4
Zimbabwean dollar -5%	**(43,1)**	(4,4)
Nigerian naira +5%	**–**	(11,8)
Nigerian naira -5%	**–**	1,2
Total +5%	**(22,7)**	(113,6)
Total -5%	**62,6**	114,1

33 FINANCIAL INSTRUMENTS continued

33.3 Interest rate risk management

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations.

Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings. At the reporting date, the group cash deposits were accessible immediately or had maturity dates up to six months. The interest rates earned on these deposits closely approximate the market rates prevailing.

Interest rate sensitivity

The sensitivity analysis addresses only the floating interest rate exposure emanating from the net cash position. The interest rate exposure has been calculated with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If interest rates had increased/(decreased) by 1% and all other variables were held constant, the profit for the year ended would decrease/(increase) as detailed in the table below due to the use of the variable interest rates applicable to the long-term borrowings and short-term borrowings. The fixed interest rate on the borrowings would not affect the financial performance. Any gain or loss would be unrealised and consequently the notional impact is not presented.

	GROUP	
(R'million)	**2021**	**2020**
Profit/(loss) before tax		
ZAR borrowings		
(+ 1%)/ -1%	**(10,6)**	(14,3)
Profit/(loss) before tax		
ZAR borrowings		
(+ 1%)/ -1%	**(7,6)**	(10,3)

	COMPANY	
(R'million)	**2021**	**2020**
Profit/(loss) before tax		
ZAR borrowings		
(+ 1%)/ -1%	**7,9**	4,2
Profit/(loss) before tax		
ZAR borrowings		
(+ 1%)/ -1%	**5,7**	3,0

NOTES TO THE FINANCIAL STATEMENTS continued

33 FINANCIAL INSTRUMENTS continued

33.4 Liquidity risk management

Liquidity risk arises from the seasonal fluctuations in short-term borrowing positions. A material and sustained shortfall in cash flows could undermine investor confidence and restrict the group's ability to raise funds.

The group manages its liquidity risk by monitoring weekly cash flows and ensuring that adequate cash is available or borrowing facilities maintained. In terms of the memorandum of incorporation, the group's borrowing powers are unlimited.

The group's liquidity exposure is represented by the aggregate balance of financial liabilities as indicated in the categorisation table in note 33.7.

Contractual maturity for non-derivative financial liabilities

The following tables detail the group's and company's remaining contractual maturity for non-derivative financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company will be required to pay. The table includes both interest and principal cash flows. The "finance charge" column represents the possible future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial liability.

(R'million)	Carrying amount	Finance charge	0 to 6 months	7 to 12 months	1 to 5 years	> 5 years
GROUP						
2021						
Trade and other payables	**5 131,5**	**–**	**5 131,5**	**–**	**–**	**–**
Lease liability*	**567,3**	**(66,1)**	**110,2**	**98,9**	**408,4**	**15,9**
Total	**5 698,8**	**(66,1)**	**5 241,7**	**98,9**	**408,4**	**15,9**
2020						
Trade and other payables	4 092,8	–	4 092,8	–	–	–
Lease liability*	336,2	(40,8)	94,4	62,9	206,2	13,5
Liabilities held for sale	303,9	(0,4)	304,3	–	–	–
Total	4 732,9	(41,2)	4 491,1	62,9	206,2	13,5
COMPANY						
2021						
Trade and other payables	**37,9**	**–**	**37,9**	**–**	**–**	**–**
Amounts owed to subsidiaries	**48,9**	**–**	**48,9**	**–**	**–**	**–**
Total	**86,8**	**–**	**86,8**	**–**	**–**	**–**
2020						
Trade and other payables	27,0	–	27,0	–	–	–
Amounts owed to subsidiaries	32,1	–	32,1	–	–	–
Total	59,1	–	59,1	–	–	–

* *Excludes bank overdrafts of nil (2020: R2 million) and cash of R2 162 million (2020: R1 790 million). These are repayable on demand and subject to annual review.*

33 FINANCIAL INSTRUMENTS continued

33.5 Credit risk management

GROUP

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The group limits its counterparty exposure arising from financial instruments by only dealing with well-established institutions of high credit standing. The group does not expect any counterparties to fail to meet their obligations given their high credit ratings.

Credit risk in respect of the group's customer base is controlled by the application of credit limits and credit monitoring procedures. Certain significant receivables are monitored on a daily basis. Where appropriate, credit guarantee insurance is obtained.

The group's credit exposure, in respect of its customer base, is represented by the net aggregate balance of amounts receivable. Concentrations of credit risk are disclosed in note 20.

COMPANY

Credit risk exposure at 30 September 2021 relating to guarantees amounted to R3,6 million (2020: R3,5 million). Refer to note 32.

33.6 Capital management

The primary objective of the company and group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company and group manage its capital structure, calculated as equity plus net debt, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company and group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or increase or decrease levels of debt. No changes were made in the objectives, policies or processes during the years ended 30 September 2021 and 30 September 2020.

The company and group monitor capital using a gearing ratio, which is net debt divided by total equity. The company and group target a long-term gearing ratio of 30% to 40%, except when major investments are made where this target may be exceeded.

COMPANY			GROUP	
2021	**2020**	**(R'million)**	**2021**	**2020**
(221,3)	(175,6)	Cash and cash equivalents	**(2 161,8)**	(1 790,0)
–	–	Long-term borrowings	**399,0**	197,2
–	–	Short-term borrowings	**168,3**	141,0
(221,3)	(175,6)	Net cash	**(1 594,5)**	(1 451,8)
7 947,3	7 986,7	Total equity	**15 702,4**	15 787,4
(2,8)	(2,2)	Net cash to equity (%)	**(10,2)**	(9,2)

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of financial assets and liabilities

(R'million)	Financial assets amortised cost	Financial assets at fair value through OCI	Other liabilities amortised cost	Financial instruments at fair value through profit or loss	Non-financial items	Total book value
GROUP						
2021						
Remaining assets	–	–	–	–	16 728,9	16 728,9
Other investments	196,1	321,0	–	–	84,7	601,8
Loans	44,3	–	–	–	–	44,3
Trade and other receivables	2 958,8	–	–	3,2	333,1	3 295,1
Cash and cash equivalents	2 161,8	–	–	–	–	2 161,8
Total	5 361,0	321,0	–	3,2	17 146,7	22 831,9
Shareholders' equity and remaining liabilities	–	–	–	–	(16 606,0)	(16 606,0)
Long-term borrowings	–	–	(399,0)	–	–	(399,0)
Trade and other payables	–	–	(5 588,3)	(18,1)	(52,2)	(5 658,6)
Short-term borrowings	–	–	(168,3)	–	–	(168,3)
Total	–	–	(6 155,6)	(18,1)	(16 658,2)	(22 831,9)

(R'million)	Loans and receivables amortised cost	Financial assets at fair value through OCI	Other liabilities amortised cost	Financial instruments at fair value through profit or loss	Non-financial items	Total book value
GROUP						
2020						
Remaining assets	113,3	–	–	–	16 096,9	16 210,2
Other investments	83,0	300,7	–	–	–	383,7
Loans	30,3	–	–	–	–	30,3
Trade and other receivables#	3 166,1	–	–	3,0	333,9	3 503,0
Cash and cash equivalents	1 790,0	–	–	–	–	1 790,0
Total	5 182,7	300,7	–	3,0	16 430,8	21 917,2
Shareholders' equity and liabilities	–	–	–	–	(17 486,2)	(17 486,2)
Long-term borrowings	–	–	(197,2)	–	–	(197,2)
Trade and other payables#	–	–	(3 010,8)	(16,1)	(1 065,9)	(4 092,8)
Short-term borrowings	–	–	(141,0)	–	–	(141,0)
Total	–	–	(3 349,0)	(16,1)	(18 552,1)	(21 917,2)

Refer to the accounting policies for further details on the above classifications.

Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of financial assets and liabilities continued

(R'million)	Financial assets amortised cost	Financial assets through OCI fair value	Other liabilities amortised cost	Financial instruments at fair value through profit or loss	Non-financial items	Total book value
COMPANY						
2021						
Remaining assets	–	–	–	–	2 508,5	2 508,5
Other investments	–	22,2	–	2 192,5	–	2 214,7
Loans#	2 996,8	–	–	97,0	–	3 093,8
Trade and other receivables	–	–	–	–	1,0	1,0
Cash and cash equivalents	221,3	–	–	–	–	221,3
Total	3 218,1	22,2	–	2 289,5	2 509,5	8 039,3
Shareholders' equity and remaining liabilities	–	–	–	–	(7 952,5)	(7 952,5)
Trade and other payables	–	–	(37,9)	–	–	(37,9)
Loans#	(48,9)	–	–	–	–	(48,9)
Total	(48,9)	–	(37,9)	–	(7 952,5)	(8 039,3)

(R'million)	Loans and receivables amortised cost	Financial assets available for sale fair value	Other liabilities amortised cost	Financial instruments at fair value through profit or loss	Non-financial items	Total book value
COMPANY						
2020						
Remaining assets	–	–	–	–	2 604,9	2 604,9
Other investments	–	22,5	–	2 186,2	–	2 208,7
Loans#	3 058,1	–	–	–	–	3 058,1
Trade and other receivables	1,6	–	–	–	2,1	3,7
Cash and cash equivalents	175,6	–	–	–	–	175,6
Total	3 235,3	22,5	–	2 186,2	2 607,0	8 051,0
Shareholders' equity and remaining liabilities	–	–	–	–	(7 991,9)	(7 991,9)
Trade and other payables	–	–	(27,0)	–	–	(27,0)
Loans#	(32,1)	–	–	–	–	(32,1)
Total	(32,1)	–	(27,0)	–	(7 991,9)	(8 051,0)

Refer to the accounting policies for further details on the above classifications.

Includes owed by/(to) subsidiaries.

33 FINANCIAL INSTRUMENTS continued

33.8 Fair value hierarchy

Financial instruments are normally held by the group until they close out in the normal course of business. The fair values of the group's financial instruments, which principally comprise put, call and futures positions with SAFEX, forward exchange contracts and JSE listed investments, approximate their carrying values. The maturity profile of these financial instruments falls due within 12 months.

There are no significant differences between carrying values and fair values of financial assets and liabilities.

Trade and other receivables, amounts owed by subsidiaries, investments and loans and trade and other payables carried on the statement of financial position approximate the fair values.

Long-term and short-term borrowings are measured at amortised cost using the effective interest rate method and the carrying amounts approximate their fair value.

The group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September, the group held the following financial instruments measured at fair value:

	2021				2020			
(R'million)	**Level 1**	**Level 2**	**Level 3***	**Total**	**Level 1**	**Level 2**	**Level 3***	**Total**
GROUP								
Assets measured at fair value								
Financial assets								
Other investments	**311,3**	**0,3**	**9,4**	**321,0**	292,3	0,4	8,0	300,7
Derivatives	**–**	**3,2**	**–**	**3,2**	–	3,0	–	3,0
Liabilities								
Derivatives	**–**	**(18,1)**	**–**	**(18,1)**	–	(16,1)	–	(16,1)
COMPANY								
Assets measured at fair value								
Financial assets								
Other investments	**2 205,0**	**0,3**	**9,4**	**2 214,7**	2 200,3	0,4	8,0	2 208,7

* *The value of the investment in Group Risk Holdings is based on Tiger Brands' proportionate share of the net asset value of the company. There are no other significant inputs that are used in the valuation and any changes in these inputs would not result in a significant fair value change.*

34 RELATED-PARTY DISCLOSURES

The board of directors of Tiger Brands Limited has given general declarations in terms of section 75 of the Companies Act on directors' personal financial interests. These declarations indicate that certain directors hold positions of influence in other entities which are suppliers, service providers, customers and/or competitors of Tiger Brands Limited. Transactions conducted with these director-related customers and suppliers were on an arm's length basis.

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end reflect the gross amount and are unsecured and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which they operate. Given the ongoing liquidity and forex shortages experienced within Zimbabwe, the expected timing of receipt of the amounts owing from these related parties has been assessed. As a result, the outstanding balances from this entity have been fully impaired.

Details of material transactions with related parties not disclosed elsewhere in the financial statements are as follows:

	GROUP		
(R'million)	**Management fees**	**Directors fees**	**Amounts owed by related parties**
2021			
Related party – Associates			
Empresas Carozzi	**–**	**4,3**	**–**
National Foods Holdings Limited	**3,6**	**–**	**–**
2020			
Related party – Associates			
Empresas Carozzi	–	3,2	–
National Foods Holdings Limited	3,9	–	–

	GROUP	
(R'million)	**2021**	**2020**
Other related parties		
Key management personnel*		
Short-term employee benefits**	**140,0**	94,0
Post-employment and medical benefits	**9,6**	7,7
Share-based payments	**–**	4,6
Total compensation paid to key management personnel	**149,6**	106,3

* *Key management personnel comprise the top tier of the organisation and the managing executives of the individual businesses.*
** *Certain key management personnel are paid sign-up and retention bonuses. An upfront payment is made with a two-year lock-in provision. Total of sign-up and retention bonuses paid in 2021 amounts to R11,0 million, total expenses in employee costs amounts to R2,3 million and total prepayment amounts to R8,7 million.*

NOTES TO THE FINANCIAL STATEMENTS continued

34 RELATED-PARTY DISCLOSURES continued

(R'million)	2021 Amounts owed by/(to) related parties	2021 Dividends received	2020 Amounts owed by/(to) related parties	2020 Dividends received
COMPANY				
Related party – intergroup				
Subsidiaries				
Durban Confectionery Works Proprietary Limited	**33,0**	**–**	33,0	–
Tiger Consumer Brands Limited	**(48,9)**	**1 570,0**	(32,1)	830,0
Tiger Brands International Holdings Limited	**266,9**	**–**	266,9	–
Enterprise Foods Proprietary Limited	**0,4**	**–**	0,4	–
Langeberg Holdings Limited	**500,8**	**–**	500,8	–
Langeberg & Ashton Foods Proprietary Limited	**499,5**	**–**	499,5	–
Tiger Food Brands Intellectual Property Holding Company Proprietary Limited	**329,6**	**–**	313,5	–
Pharma I Holdings Proprietary Limited	**1 211,2**	**–**	1 211,2	–
Pharma II Investments Proprietary Limited	**99,6**	**–**	99,6	–
Chocolaterie Confiserie Camerounaise	**51,6**	**55,6**	130,7	145,3
Tiger Brands Nigeria Limited	**3,1**	**–**	–	–
Current receivable	**51,6**		130,7	
Current payable	**(48,9)**		(32,1)	
Non-current loans receivable[1]	**2 944,1**		2 924,9	
Empowerment entities				
Tiger Brands Foundation	**84,6**	**154,1**	–	180,3
Thusani II	**12,4**	**29,3**	–	34,5
Associate				
National Foods Holdings Limited	**–**	**11,8**	–	8,7

[1] *Interest free with no fixed repayment terms. These balances are not expected to be called upon within the next 12 months.*

In assessing the credit risk of intercompany transactions, the company considers the liquidity position, available cash resources and the industry. These factors are considered to give rise to a low credit risk and therefore, no further disclosure is required.

35 ANALYSIS OF PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

The results of discontinued operations Deli Foods Nigeria Limited (Deli Foods) and Value Added Meat Products (VAMP), a division of Tiger Consumer Brands Limited are stated below. The closure process for Deli Foods has been concluded.

On 17 August 2020, the company announced that it has entered into two separate sale-of-business agreements (SBAs) for the disposal of its VAMP business as going concerns. The two SBAs comprised an agreement with Molare Proprietary Limited for a total cash contribution of R100 million received on 30 September 2020. The second comprised an agreement with Silver Blade Abattoir Proprietary Limited for a cash contribution of R153 million received on 2 November 2020. A profit of R42,5 million (pre-tax) had resulted from the conclusion of the first SBA and a profit of R20,5 million (pre-tax) had resulted from the conclusion of the second SBA.

Included in the profit from discontinued operations for the current year is the release of foreign currency translation reserves on the closure of Deli Foods and profits relating to the sale of trademarks and property, plant and equipment.

(R'million)	GROUP 2021	GROUP 2020
Profit/(loss) for the year from discontinued operations (attributable to owners of the company)		
Revenue	**119,9**	1 188,2
Expenses	**(100,8)**	(1 691,3)
Operating profit/(loss) before impairments and non-operational items	**19,1**	(503,1)
Impairments	**–**	(83,2)
Non-operational items	**122,0**	(9,2)
Operating profit/(loss) after impairments and non-operational items	**141,1**	(595,5)
Finance costs	**(0,5)**	(13,5)
Profit/(loss) before taxation	**140,6**	(609,0)
Taxation	**(20,8)**	155,8
Profit/(loss) for the year from discontinued operations	**119,8**	(453,2)
Attributable to non-controlling interest	**–**	–
Attributable to owners of parent	**119,8**	(453,2)
Cash flows from discontinued operations		
Net cash outflows from operating activities	**(5,9)**	(150,0)
Net cash inflows from investing activities	**21,9**	296,4
Net cash outflow from financing activities	**(6,7)**	(110,7)
Net cash inflows	**9,3**	35,7

NOTES TO THE FINANCIAL STATEMENTS continued

(R'million)	GROUP 2021	GROUP 2020
36 ASSETS CLASSIFIED AS HELD FOR SALE		
As detailed in note 35, Deli Foods and VAMP have been treated in accordance with IFRS 5 *Non-Current Assets Held for Sale* at 30 September 2021. These transactions have now been concluded and therefore no assets or liabilities have been recognised during the current year. The assets carried at fair value are categorised in level 2 of the fair value hierarchy and the fair value was determined by reference to the sale of business agreement.		
Property, plant and equipment	–	148,2
Investments	–	0,9
Inventory	–	123,8
Trade and other receivables	–	106,6
Deferred tax asset	–	33,0
Cash and cash equivalents	–	6,7
	–	419,2
Liabilities directly associated with the assets classified as held for sale		
Short-term borrowings	–	(16,9)
Long-term borrowings	–	(2,8)
Trade and other payables	–	(276,4)
Post-retirement medical aid obligation	–	(7,8)
	–	(303,9)
Net carrying value of discontinued operations	–	115,3

37 SUBSEQUENT EVENTS

On 19 October 2021, Tiger Brands was approved secondary listing on A2X Markets. This will provide shareholders with a choice to transact Tiger Brands shares on an additional platform and capture the benefits it offers.

There are no other material events that occurred during the period subsequent to 30 September 2021 and prior to these financial statements being authorised for issue.

ANNEXURE A

INTEREST IN SUBSIDIARY COMPANIES

for the year ended 30 September 2021

	Principal place of business	Functional currency	Effective percentage holding 2021 %	Effective percentage holding 2020 %	Company's interest shares at cost (net of impairment) 2021 (R'million)	Company's interest shares at cost (net of impairment) 2020 (R'million)
Chocolaterie Confiserie Camerounaise[1]	Cameroon	CAF franc	**74,7**	74,7	**152,7**	152,7
Davita Trading Proprietary Limited	South Africa	South African rand	**100,0**	100,0	**1 381,6**	1 381,6
Deli Foods Nigeria Limited	Nigeria	Nigerian naira	**100,0**	100,0	**–**	–
Designer Group Holdings Limited	South Africa	South African rand	**100,0**	100,0	**132,1**	132,1
Durban Confectionery Works Proprietary Limited	South Africa	South African rand	**100,0**	100,0	**63,4**	63,4
Langeberg Holdings Limited	South Africa	South African rand	**100,0**	100,0	**190,8**	190,8
Langeberg & Ashton Foods Proprietary Limited	South Africa	South African rand	**100,0**	100,0	**85,8**	85,8
Pharma I Holdings Proprietary Limited	South Africa	South African rand	**100,0**	100,0	**–**	–
Tiger Consumer Kenya Limited[3]	Kenya	Kenyan shilling	**100,0**	–	**–**	–
Tiger Brands International Holdings Limited	Mauritius	US dollar	**100,0**	100,0	**337,9**	337,9
Tiger Brands Nigeria Limited	Nigeria	Nigerian naira	**100,0**	100,0	**–**	–
Tiger Brands PID No1 Proprietary Limited[2]	South Africa	South African rand	**100,0**	100,0	**49,7**	49,7
Tiger Brands VC Fund Proprietary Limited[3]	South Africa	South African rand	**100,0**	–	**–**	–
Tiger Consumer Brands Limited	South Africa	South African rand	**100,0**	100,0	**0,1**	0,1
Tiger Food Brands Intellectual Property Holding Company Proprietary Limited	South Africa	South African rand	**100,0**	100,0	**17,3**	17,3
					2 411,4	2 411,4

[1] *All year ends are 30 September, except for Chocolaterie Confiserie Camerounaise which has a 31 December year end.*
[2] *Previously Enterprise Foods Proprietary Limited.*
[3] *Newly established company.*

All rand amounts of less than R100,000 are shown as nil in the above table.

ANNEXURE B

INTEREST IN ASSOCIATED COMPANIES

for the year ended 30 September 2021

	Principal place of business	Currency	Year end	Percentage holding 2021 %	Percentage holding 2020 %	Nature of business	Listed/ unlisted
National Foods Holdings Limited (note 1)	Zimbabwe	US dollar	June	**37,4**	37,4	Food processing	Listed
Empresas Carozzi	Chile	Chilean peso	December	**24,4**	24,4	Food processing	Unlisted
UAC Foods	Nigeria	Nigerian naira	December	**–**	49,0	Food processing	Unlisted

Detailed disclosure of Empresas Carozzi for 2021 is noted below, as per note 15.6.

(R'million)	September 2021	September 2020
Summarised statement of comprehensive income		
Revenue	**19 729,8**	21 519,6
Profit after taxation	**1 219,3**	1 152,9
Attributable to outside shareholders	**1 219,3**	1,152,9
Other comprehensive loss, net of taxation	**(163,3)**	(173,7)
Total comprehensive income for the year	**1 056,0**	979,1
Attributable to outside shareholders	**1 056,0**	979,1
Dividends received from Empresas Carozzi	**115,4**	105,5

(R'million)	September 2021	September 2020
Summarised statement of financial position		
Non-current assets	**14 543,6**	16 691,3
Current assets	**7 700,5**	8 796,4
Non-current liabilities	**(7 079,5)**	(8 469,0)
Current liabilities	**(4 700,1)**	(5 572,8)
Net asset value	**10 464,5**	11 445,9

(R'million)	September 2021	September 2020
Reconciliation of the summarised financial information presented to the carrying amount of Tiger Brands interest in Empresas Carozzi		
Tiger Brands effective share of Empresas Carozzi's NAV	**2 553,3**	2 792,8
Translation differences	**(331,0)**	(554,6)
Carrying value of Empresas Carozzi	**2 222,3**	2 238,2

Note 1 – National Foods Holdings Limited (NFH)

Accounting for investment in associate

The group has a 37,4% investment in National Foods Holdings Limited (NFH), an associate company incorporated in Zimbabwe and which operates throughout Zimbabwe.

The equity-accounted results of NFH included in these results have therefore been prepared in accordance with IAS 29, with the following key accounting principles and judgements applied by the group:

› Hyperinflation accounting requires transactions and balances of each reporting period presented to be stated in terms of the measuring unit current at the end of the reporting period in order to account for the loss of purchasing power during the period. The group has elected to use the Zimbabwe Consumer Price Index (CPI) as the measuring unit current (or general price index) to restate amounts as CPI provides an observable indication of the change in the price of goods and services
› The carrying amounts of non-monetary assets and liabilities carried at historical costs are restated to reflect the change in the general price index
› All items recognised in the statement of comprehensive income at historical costs are restated by applying the change in the general price index from the dates when these items were initially earned or incurred
› Gains or losses on the resulting net monetary position are recognised in the statement of comprehensive income and included in our share of associate's income
› Impairment losses are recorded in the statement of comprehensive income if the remeasured value of assets exceeds the estimated recoverable amount and included in our share of associate's income
› The application of IAS 29 on a retrospective basis within the statement of comprehensive income of NFH have resulted in the recognition of both a gain on the net monetary position and an impairment loss on the revalued assets in the current and prior periods.

As the group's presentation currency is not that of a hyperinflationary economy, the comparative information of the group's financial results relating to NFH is not restated. Any difference between our share of NFH adjusted equity balance after applying IAS 29 and the balance previously recorded by the group as at 30 September 2019 is recognised in other comprehensive income as part of foreign currency translations for the current period.

Exchange rates applied in translating the results of investment in associate

During the current and prior period under review, the following changes to the functional and presentation currencies of NFH occurred:

› Since the adoption of multiple currencies by the Zimbabwean government in 2009, entities in Zimbabwe were operating in a multi-currency regime. As a result, prior to 1 October 2018, the US dollar was designated as the functional and presentation currency of NFH
› On 1 October 2018, following the directive issued by the RBZ, the RTGS dollar was adopted as the functional and presentation currency of NFH. The application of the change in functional currency was applied prospectively. As disclosed in the accounting policies, judgement was applied in the estimation and application of exchange rates used when translating the results of NFH for the 2019 financial year. Inputs considered in this estimate include the official inflation rate and the premium at which Old Mutual shares trade on the Zimbabwe Stock Exchange versus on the JSE
› On 24 June 2019, the RBZ introduced statutory instrument 142 of 2019 resulting in the renaming of the RTGS dollar to the Zimbabwe dollar (ZWL$) and the ZWL$ being the only form of legal tender in the country. The ZWL$ was therefore adopted as the functional and presentation currency of NFH prospectively from this date
› In line with the judgements applied during the 2020 financial year, management assessed that the official interbank closing exchange rate of 0.17 ZWL$ to the South African rand and this was therefore used when translating the result of NFH.

The results and net asset value of NFH have been translated into the group's presentation currency at the closing exchange rate, in accordance with hyperinflationary provisions of IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

ANNEXURE C

DIRECTORS' EMOLUMENTS

for the year ended 30 September 2021

Table of directors' emoluments for the year ended 30 September 2021

	GROUP					
(R'000)	**Fees**	**Cash salary**	**Bonus***	**Other benefits**	**Retirement fund contributions**	**Total 2021**
Executive directors						
NP Doyle	–	8 591	–	–	1 409	10 000
DS Sita[1]	–	4 957	909	228	335	6 429
Total A	**–**	**13 548**	**909**	**228**	**1 744**	**16 429**
Non-executive directors*						
MO Ajukwu	1 460	–	–	–	–	1 460
MJ Bowman	754	–	–	–	–	754
I Burton[2]	442	–	–	–	–	442
GJ Fraser-Moleketi[3] (Chairman)	1 713	–	–	–	–	1 713
CH Fernandez	1 028	–	–	–	–	1 028
GA Klintworth	1 345	–	–	–	–	1 345
M Makanjee	799	–	–	–	–	799
TE Mashilwane	713	–	–	–	–	713
Dr KDK Mokhele[4]	519	–	–	–	–	519
MP Nyama[5]	346	–	–	–	–	346
M Sello	909	–	–	–	–	909
OM Weber	1 440	–	–	–	–	1 440
DG Wilson	868	–	–	–	–	868
Total B	**12 336**	**–**	**–**	**–**	**–**	**12 336**
Total A + B	**12 336**	**13 548**	**909**	**228**	**1 744**	**28 765**
Aggregated details of remuneration paid to members of the executive committee, excluding executive directors above, are set out hereunder						
Total	**–**	**40 787**	**303**	**2 616**	**2 394**	**46 100**

[1] *DS Sita appointed 1 October 2020.*
[2] *I Burton resigned 24 June 2021.*
[3] *GJ Fraser-Moleketi for FY21, chairman from 1 January 2021 to 30 September 2021.*
[4] *Dr KDK Mokhele retired 31 December 2020. During the year, served as chairman from 1 October 2020 to 31 December 2020.*
[5] *MP Nyama retired 17 February 2021.*
* *Certain executive committee members are paid sign-on bonuses. An upfront payment is made with a two-year lock-in provision. Total of sign-on bonuses paid in 2021 amounts to R4,2 million, total expenses in employee costs amounts to R1,2 million and total prepayment amounts to R3,0 million.*
** *The fees to non-executive directors exclude VAT.*

Table of directors' emoluments for the year ended 30 September 2020

	GROUP						
(R'000)	**Fees**	**Cash salary**	**Bonus**	**Other benefits**	**Retirement fund contributions**	**Gains on options exercised#**	**Total 2020**
Executive directors							
LC Mac Dougall[1]	–	3 094	–	55	109	387	3 645
NP Doyle[2]	–	6 996	–	–	1 270	736	9 002
Total A	–	10 090	–	55	1 379	1 123	12 647
Non-executive directors*		EFS*					
CH Fernandez	936	–	–	–	–	–	936
DG Wilson	695	–	–	–	–	–	695
GA Klintworth	1 174	–	–	–	–	–	1 174
KDK Mokhele (Chairman)	1 877	–	–	–	–	–	1 877
M Makanjee	760	–	–	–	–	–	760
MJ Bowman	650	–	–	–	–	–	650
MO Ajukwu	1 280	–	–	–	–	–	1 280
MP Nyama	650	–	–	–	–	–	650
TE Mashilwane	890	–	–	–	–	–	890
GJ Fraser-Moleketi[3]	109	–	–	–	–	–	109
M Sello[4]	475	–	–	–	–	–	475
MP Fandeso[5]	310	–	–	–	–	–	310
I Burton[6]	109	–	–	–	–	–	109
OM Webber[7]	250	–	–	–	–	–	250
Total B	10 165	–	–	–	–	–	10 165
Total A + B	10 165	10 090	–	55	1 379	1 123	22 812
Aggregated details of remuneration paid to members of the executive committee, excluding executive directors above, are set out hereunder							
Total	–	41 896	112	4 272	2 945	454	49 679

[1] *LC Mac Dougall retired on 31 January 2020.*
[2] *NP Doyle appointed as chief executive officer 1 February 2020.*
[3] *GJ Fraser-Moleketi appointed 1 September 2020.*
[4] *M Sello appointed 1 October 2019.*
[5] *MP Fandeso resigned 28 February 2020.*
[6] *I Burton appointed 3 August 2020.*
[7] *OM Weber appointed 3 August 2020.*
* *EFS – fees paid to non-executive directors in respect of their attendance at special board meetings of the company.*
** *The fees to non-executive directors exclude VAT.*
\# *The gains on options exercised were derived from bonus matching shares, deferred bonus shares and company matching shares granted in 2017 which vested and was settled in 2020.*

ANNEXURE C continued

DIRECTORS' EMOLUMENTS continued

for the year ended 30 September 2021

Tiger Brands Limited 2013 Share Plan

Executive directors

Details of share appreciation rights allocated to executive directors under this plan at 30 September 2021 are set out below:

Name	Date of grant	Holding at 1 October 2020	Forfeited 2021	Holding at 30 September 2021	Number of options vested at 30 September 2021	Number of options subject to performance targets and retention	Grant price (Rand)
NP Doyle	Dec–18	56 688	–	56 688	–	56 688	254,8
			1				
	Dec–17	49 298	6 432	32 866	–	32 866	385,3
	Dec–16	24 224	12 112	12 112	–	12 112	368,1
	Feb–16	8 201	8 201	–	–	–	271,2
	Feb–15	1 117	1 117	–	–	–	358,2
Total		139 528	37 862	101 666	–	101 666	

Details of performance shares awarded to executive directors under the Tiger Brands Limited 2013 Share Plan as at 30 September 2021 appear below:

Name	Date of grant	Holding at 1 October 2020	Granted 2021	Holding at 30 September 2021	Number of options vested as at 30 September 2021	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
NP Doyle	Dec-20	–	59 930	59 930	–	59 930	203,5
	Sep-20	65 880	–	65 880	–	65 880	178,2
Total		65 880	59 930	125 810	–	125 810	
DS Sita	Dec-20	–	31 680	31 680	–	31 680	203,5
Total		–	31 680	31 680	–	31 680	

ANNEXURE C continued

DIRECTORS' EMOLUMENTS continued

for the year ended 30 September 2021

Total	–	–	–	31 680	31 680

Tiger Brands Limited 2013 Share Plan continued

Executive committee members (excluding executive directors)

Aggregated details of share appreciation rights allocated to members of the executive committee, other than executive directors above, as at 30 September 2021, are set out below:

Total for FY	Date of grant	Holding at 1 October 2020	Forfeited 2021	Holding at 30 September 2021	Number of options vested as at 30 September 2021	Number of options subject to performance targets and retention	Grant price (Rand)
2019	Dec-18	247 361	58 678	188 683	–	188 683	254,8
2018	Dec-17	28 160	9 833	18 327	–	18 327	385,3
2017	Dec-16	22 411	11 457	10 954	–	10 954	368,1
2016	Feb-16	6 097	6 097	–	–	–	271,2
2015	Feb-15	1 645	1 645	–	–	–	358,2

Aggregated details of performance shares awarded to members of the executive committee, other than executive directors above, as at 30 September 2021, are set out below:

Total for FY	Date of grant	Holding at 1 October 2020	Granted 2021	Forfeited 2021	Exercised 2021	Holding at 30 September 2021	Number of options vested as at 30 September 2021	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
2021	Dec-20	–	133 300	25 000	–	108 300	–	108 300	203,5
2020	Sep-20	150 450	–	46 004	–	104 446	–	104 446	178,2
2020	Mar-20	47 220	–	–	–	47 220	–	47 220	172,4

Aggregated details of restricted shares granted to members of the executive committee, other than executive directors above, as at 30 September 2021:

Total for FY	Date of grant	Holding at 1 October 2020	Exercised 2021	Forfeited 2021	Holding at 30 September 2021	Number of options vested as at 30 September 2021	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
2020	Various	42 081	–	–	42 081	–	42 081	178,2
2018	Various	4 647	4 647	–	–	–	–	414,5
2017	Various	2 012	2 012	–	–	–	–	414,5

ANNEXURE D

SHARE-BASED PAYMENT PLANS

for the year ended 30 September 2021

The information noted below summarises all key assumptions, valuation inputs and key disclosures relating to the Tiger Brands share-based payment plans.

1. GENERAL EMPLOYEE SHARE-OPTION PLAN

Executives and managers of the company and its subsidiaries are offered a weighted combination of:
- Allocations of share appreciation rights; (last allocation to employees – 5 June 2019)
- Conditional awards of full value performance shares
- Grants of full value restricted shares.

The scheme is regarded as an equity-settled share-option scheme.

Share appreciation rights

Allocations of share appreciation rights (SARS) were made to qualifying executive management and other senior managers. SARS vest in three equal tranches on the third, fourth and fifth anniversaries of the date of allocation. The vesting of each tranche is subject to the achievement of performance conditions. The vesting of allocations prior to December 2018 is subject to the company's HEPS performance, measured against CPI and the growth in GDP (real HEPS growth). For allocations made in December 2018 and thereafter, vesting is subject to real HEPS growth (weighted at 50%) and the performance of the company's ROIC against its WACC (weighted at 50%). Vested SARS must be exercised on or before the sixth anniversary of the date of allocation. The last allocation of SARS was made in June 2019.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share appreciation rights during the year.

	2021		2020	
	Number	WAEP Rand	Number	WAEP Rand
Outstanding at the beginning of the year	**1 748 957**	**305,5**	2 364 138	304,4
Forfeited during the year	**(588 163)**	**332,0**	(471 585)	322,0
Lapsed during the year	**–**	**–**	(143 596)	237,5
Outstanding at the end of the year	**1 160 794**	**292,1**	1 748 957	305,5
Exercisable at the end of the year	**–**	**–**	15 889	360,6
Weighted average remaining contractual life (years)		**2,8 years**		3,5 years
Range of exercise prices outstanding at the end of the year (per option)		**R218,9 – R385,3**		R218,9 – R385,3

Options were valued using a modified Black-Schöles model taking into account the dividend cover, expected exercise pattern and volatility of the Tiger Brands share price.

1 GENERAL EMPLOYEE SHARE-OPTION PLAN continued

Share appreciation rights continued

The following inputs were used:

Date of grant	Revised strike price of option due to the unbundling of Oceana (Rand)	Original strike price of option (Rand)	Expiry date	Market price of the underlying stock at grant date (Rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend cover (times)
09/02/2016	271,2	291,7	09/02/2021	**302,9**	**25,5**	**3,0**
31/03/2016	299,7	322,4	31/03/2021	**325,2**	**25,7**	**3,0**
24/05/2016	317,6	341,7	24/05/2021	**337,0**	**25,7**	**2,9**
07/12/2016	368,1	396,0	07/12/2021	**386,8**	**25,8**	**2,9**
05/09/2017	375,2	403,6	05/09/2022	**380,0**	**24,9**	**2,8**
11/12/2017	385,3	414,5	11/12/2023	**425,0**	**24,7**	**2,8**
06/12/2018	254,8	274,1	06/12/2023	**271,0**	**27,1**	**3,0**
02/01/2019	249,7	268,6	02/01/2024	**264,1**	**27,0**	**3,0**
05/06/2019	218,9	218,9	05/06/2024	**217,6**	**27,3**	**3,3**

Volatilities are based on the historical volatility of the Tiger Brands share price matching the remaining life of each option.

Performance shares

Annual awards of performance vesting shares (PVS) are made to executive management, senior management and middle management. PVS vest on the third anniversary of the date of award. Vesting is subject to the performance of the company's HEPS, measured against CPI and the growth in GDP (50% weighting) and the performance of the company's ROIC against its WACC (50% weighting).

The following table illustrates the number of, and movements in, performance shares during the year.

	2021 Number	2020 Number
Outstanding at the beginning of the year	**530 216**	–
Granted during the year	**503 792**	560 920
Forfeited during the year	**(147 962)**	(30 704)
Outstanding at the end of the year	**886 046**	530 216
Weighted average remaining contractual life (years)	**1,9 years**	2,5 years

Options were valued using the Monte Carlo Simulation approach to estimate the price of the options that are subject to TSR market performance conditions using 50 000 simulations taking into account the dividend cover, expected exercise pattern and volatility of the Tiger Brands share price.

The following inputs were used:

Date of grant	Expiry date	Market price of the underlying stock at grant date (Rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend cover (times)
30/03/2020	30/03/2023	178,8	30,3	4,0
07/09/2020	07/09/2023	169,7	32,3	4,0
04/12/2020	04/12/2023	204,2	33,3	3,8
01/02/2021	01/02/2024	197,9	33,1	3,6
01/03/2021	01/03/2024	205,4	33,1	3,6

Volatilities are based on the historical volatility of the Tiger Brands share price matching the remaining life of each option.

ANNEXURE D continued

SHARE-BASED PAYMENT PLANS continued

for the year ended 30 September 2021

1 GENERAL EMPLOYEE SHARE-OPTION PLAN continued

Restricted shares

On an annual basis, subject to remuneration committee approval, senior management and key talent may receive a grant of restricted shares. On vesting, options may be settled in cash or shares on the third anniversary of the grant date.

The following table illustrates the number of, and movements in, restricted shares during the year.

	2021 Number	2020 Number
Outstanding at the beginning of the year	**432 903**	156 593
Granted during the year	**318 985**	362 771
Forfeited during the year	**(90 807)**	(46 200)
Exercised during the year	**(69 671)**	(40 261)
Outstanding at the end of the year	**591 410**	432 903
Exercisable at the end of the year	**1 400**	12 500
Weighted average remaining contractual life (years)	**1,8 years**	1,8 years
Weighted average fair value of options granted (per option)	**182,9**	176,4

Options were valued using a modified Black-Schöles model taking into account the dividend cover, expected exercise pattern and volatility of the Tiger Brands share price.

The following inputs were used:

Date of grant	Expiry date	Market price of the underlying stock at grant date (Rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend cover (times)
31/03/2017	31/03/2020	325,2	27,4	3,0
11/12/2017	07/12/2020	425,0	25,4	2,8
06/12/2018	06/12/2021	271,0	26,5	3,0
07/09/2020	07/09/2023	169,7	32,3	4,0
04/12/2020	04/12/2023	204,2	33,3	3,8
01/02/2021	01/02/2024	197,9	33,1	3,6
01/03/2021	01/03/2024	205,4	33,1	3,6
01/06/2021	01/06/2024	223,8	32,2	3,4
01/07/2021	01/07/2024	205,2	32,2	3,4

2 BLACK MANAGERS PARTICIPATION RIGHT SCHEME (EQUITY SETTLED)

In terms of the BEE transaction implemented on 17 October 2005, 4 381 831 Tiger Brands shares were acquired by the Tiger Brands Black Managers Trust.

The allocation of vested rights entitles beneficiaries to receive Tiger Brands shares (after making capital contributions to the Black Managers Trust) at any time after the lock-in period. In respect of options allocated on or before 31 July 2010, the lock-in period ends on 31 December 2014. In respect of allocations made after 31 July 2010, the lock-in date will be the latter of 31 December 2014 or, in respect of one-third of the allocations, three years after the allocation, the next third, four years and the last third, five years after the allocation. These vested rights are non-transferable.

After the lock-in date, the beneficiaries may exercise their vested rights, in which event the beneficiary may:

› Instruct trustees to sell all of their shares and distribute the proceeds to them, net of the funds required to pay the capital contributions, taxation (including employees' tax), costs and expenses
› Instruct the trustees to sell sufficient shares to fund the capital contributions, pay the taxation (including employee's tax), costs and expenses
› Distribute to them the remaining shares to which they are entitled
› Fund the capital contributions, taxation (including employees' tax) costs and expenses themselves and receive the shares to which they are entitled.

The expense recognised for employee services received during the year to 30 September 2021 is R6,3 million (2020: R13,8 million).

The following table illustrates the number of, and movements in, share participation rights during the year.

	2021 Number	2020 Number
Outstanding at the beginning of the year	**770 662**	790 150
Granted during the year	**62 000**	61 720
Forfeited during the year	**(51 800)**	(38 268)
Shares sold	**(46 027)**	(42 940)
Outstanding at the end of the year	**734 835**	770 662
Exercisable at the end of the year	**518 393**	503 743
Weighted average remaining contractual life (years)	**4,9**	5,9
Weighted average fair value of options granted during the year (per option)	**R150,2**	R130,5
Notional average exercise price (per option)	**R205,0**	R189,6

Participation rights were valued using the Monte-Carlo simulation approach to estimate the average, optimal payoff of the participation rights using 10 000 permutations. The payoff of each random path was based on: the projected Tiger Brands share price, outstanding debt projections and optimal early exercise conditions.

Volatility is measured as the annualised standard deviation of the daily price changes in the underlying share under the assumption that the share price is log normally distributed. Historical daily share price data was used to estimate the expected volatility.

ANNEXURE D continued

SHARE-BASED PAYMENT PLANS continued

for the year ended 30 September 2021

2 BLACK MANAGERS PARTICIPATION RIGHT SCHEME (EQUITY SETTLED) continued

The following inputs were used:

Date of grant	Initial strike price of participation rights (Rand)	Expiry date	Market price of the underlying stock at grant date (Rand)	Expected volatility of the stock over the remaining life of the participation right (%)	Expected dividend yield of the stock over the remaining life of the participation right (%)
31/01/2014	85,8	30/09/2027	266,0	25,3	3,8
31/07/2014	85,9	30/09/2027	308,8	25,3	3,8
31/01/2015	81,9	30/09/2027	394,2	25,3	3,8
31/07/2015	82,5	30/09/2027	284,9	25,3	3,8
31/01/2016	79,0	30/09/2027	291,0	25,3	3,8
31/07/2017	74,5	31/07/2023	399,5	24,1	3,8
31/01/2018	70,6	31/01/2024	461,0	24,6	2,9
31/07/2018	69,6	31/07/2024	350,0	26,0	3,2
31/01/2019	66,0	30/09/2024	276,2	26,4	3,1
31/07/2019	58,1	30/09/2024	222,9	26,5	2,8
31/07/2020	56,5	30/09/2024	176,3	29,6	5,2
31/08/2020	56,5	30/09/2024	172,4	29,3	5,2
31/01/2021	52,5	30/09/2024	199,3	29,1	4,0
31/07/2021	50,7	30/09/2024	193,0	29,2	2,5

The risk-free interest rate was obtained from constructed ZAR swap curves on the valuation dates using key inputs being South African money-market rates and swap rates as published by Bloomberg.

3 BLACK MANAGERS TRUST II PARTICIPATION RIGHT SCHEME (EQUITY SETTLED)

Black Managers Trust II

Over the period of the Tiger Brands Black Managers Trust No II (BMT II) 2 814 149 Tiger Brands shares were allocated to qualifying black managers. The lock-in period for the scheme expired on 31 December 2017. Immediately following this date, Tiger Brands exercised its rights in terms of a repurchase option, and repurchased 1 389 685 shares from the BMT II at a subscription price of 10 cents per share.

The remaining shares, 1 424 464, were distributed to the participating black managers, with 130 361 shares subject to a further retention period of three years which expired on 30 September 2020.

No expense was recognised during the year ended 30 September 2021 (2020: R6,2 million).

ANNEXURE E

PENSION ASSET

for the year ended 30 September 2021

This information noted below summarises all key assumptions, valuation inputs and key disclosures relating to Tiger Brands

The company and its subsidiaries contribute to retirement plans that cover all employees. The retirement plans are either defined benefit plans or defined contribution plans and are funded. The assets of the funds are held in independent trustee administered funds, administered in terms of the Pension Funds Act 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation. Those funds not exempt from valuation must, in terms of the Pension Funds Act, be valued at least every three years. For purposes of production of these disclosures, and in order to comply with the requirements of IAS 19, valuations have been performed by independent actuaries, using the projected unit credit method. Where valuations were not possible due to the limited availability of complete data, roll forward projections of prior completed actuarial valuations were used, taking account of actual subsequent experience.

Within the company's group of subsidiaries, there are a total of 17 retirement plans, three of which are defined benefit pension funds, two are defined contribution pension funds, one is a defined benefit provident plan, one is a benefit fund and six are defined contribution provident funds. There are a further four schemes of insurance into which the company and its subsidiaries contribute. Certain companies within the group sponsor external death, funeral and disability benefit insurance policies. These insurance costs have been allowed for in the disclosures provided. All of the funds above are funded with one exception.

The actual return on plan assets for the period 1 October 2020 to 30 September 2021 was R21,9 million (2020: R17,8 million). This compares with the expected return for the same period of R31,0 million (2020: R35,8 million).

The value of contributions expected to be paid by group companies for the year ending 30 September 2022 amounts to R258,9 million (2021 actual: R256,6 million).

As at 30 September 2021, there were no properties occupied by, or other assets used by, group companies which formed part of the fair value of plan assets (2020: Rnil).

During the course of the year there was a transfer out of employer surplus totalling R39,5 million to other Tiger Brands' funds.

As at 30 September 2021, the percentage of the fair value of plan assets in respect of defined benefit arrangements invested in Tiger Brands Limited shares amounted to 0% (2020: 0%).

Major categories of plan assets in respect of defined benefit arrangements as at 30 September are shown in the table below:

	GROUP	
(%)	**2021**	**2020**
Equities	**1,7**	5,4
Bonds	**38,3**	27,9
Cash	**58,9**	62,3
Property	**0,1**	0,7
International	**0,9**	2,9
Other	**0,1**	0,8
	100,0	100,0

	GROUP	
(R'million)	**2021**	**2020**
Balance at the end of the year		
Present value of defined benefit obligations	**(244,2)**	(238,5)
Fair value of plan assets in respect of defined benefit obligations	**376,5**	396,7
Funded status of defined benefit plans	**132,3**	158,2
Unrecognised due to paragraph 65 limit	**(14,4)**	(4,7)
Asset at reporting date	**117,9**	153,5

ANNEXURE E continued

PENSION ASSET continued

for the year ended 30 September 2021

The disclosure of the funded status is for accounting purposes only, and does not necessarily indicate any assets available to the company or its subsidiaries. Once a surplus apportionment exercise is completed, and approved by the Registrar of Pension Funds in terms of the provisions of the Pension Funds Second Amendment Act, 2001, only at that stage would it be appropriate for the company or its subsidiaries to recognise any assets in respect of the retirement funds, to the extent that they have apportioned such assets. The surplus apportionment schemes for the Tiger Brands Defined Benefit Pension Fund and the Beacon Products Staff Pension Fund were approved by the Registrar in 2008. The surplus apportionment scheme for the ICS Pension Fund was approved in 2011. Where appropriate, the surplus apportioned to the company has been recognised on the balance sheet. This legislation is not applicable to arrangements not registered in terms of the Pension Funds Act, such as special purpose entities established for purposes of providing disability benefits.

	GROUP	
	2021	**2020**
Actuarial assumptions		
The principal actuarial assumptions used for accounting purposes were:		
Discount rate		
Tiger Brands Defined Benefit Pension Fund	**Full yield curve**	Full yield curve
Tiger Oats Benefit Foundation	**5,1%**	3,9%
Nestlé Pension Fund	**11,9%**	15,2%
ICS Pension Fund	**5,1%**	3,9%
Tiger PRDBS Provident Fund	**5,1%**	3,9%
Future salary increases		
Tiger Brands Defined Benefit Pension Fund	**1% above inflation + merit scale**	1% above inflation + merit scale
Nestlé Pension Fund	**7,8% + merit scale**	10,9% + merit scale
Defined contribution funds	**6,0%**	6,3%
ICS Pension Fund, Tiger Oats Benefit Foundation and Tiger PRDBS Provident Fund	**4,2%**	3,4%
Pension increase allowance		
Tiger Brands Defined Benefit Pension Fund	**100% of inflation**	100% of inflation
Nestlé Pension Fund	**80% of inflation**	80% of inflation
Post-retirement discount rate		
Tiger Brands Defined Benefit Pension Fund	**3,0%**	3,0%
Nestlé Pension Fund	**3,0%**	3,0%

(R'million)	2021	2020
Reconciliation of the defined benefit obligation:		
Defined benefit obligation at the beginning of the year	**(238,5)**	(273,7)
Current service cost	**(6,0)**	(4,3)
Member contributions	**(0,5)**	(0,7)
Interest cost	**(24,5)**	(22,3)
Actuarial gain/(loss)	**20,5**	(3,4)
Benefits paid	**1,7**	63,2
Administrative expenses	**2,9**	2,5
Risk premiums (Group Life and Permanent Health)	**0,2**	0,2
Defined benefit obligation at the end of the year	**(244,2)**	(238,5)

	GROUP	
(R'million)	**2021**	**2020**
Reconciliation of fair value of plan assets		
Assets at fair market value at the beginning of the year	**396,7**	441,8
Interest on plan assets	**30,9**	35,8
Contributions	**2,2**	2,8
Risk premiums (Group Life and Permanent Health)	**(0,2)**	(0,2)
Benefits paid	**(1,7)**	(63,2)
Employer surplus transferred	**(39,5)**	–
Administrative expenses	**(2,9)**	(2,3)
Actuarial loss	**(9,0)**	(18,0)
Assets at fair market value at the end of the year	**376,5**	396,7
Reconciliation of asset ceiling		
Unrecognised due to paragraph 64 limit	**(14,4)**	(4,7)
Asset ceiling at the end of the year	**(14,4)**	(4,7)
Asset balance at the end of the year	**117,9**	153,5

The risks faced by the group as a result of pension obligations can be summarised as follows:

- **Inflation:** The risk that future CPI inflation is higher than expected and uncontrolled
- **Longevity:** The risk that pensioners live longer than expected and thus their pension benefit is payable for longer than expected
- **Open-ended, long-term liability:** The risk that the liability may be volatile in the future and uncertain
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment liability may increase the liability for the company
- **Future changes in the tax environment:** The risk that changes in the tax legislation governing employee benefits may increase the liability for the company
- **Administration:** Administration of this liability poses a burden to the company.

Sensitivity analysis

The sensitivity analysis has been prepared for the Tiger Brands Defined Benefit Pension Fund and the Nestlé Pension Fund. The liabilities of the Tiger Brands PRDBS Provident Fund are not sensitive to changes in either the discount rate or the inflation rate.

(R'million)	Balance 2021	+1%	-1%
Discount rate			
Defined benefit obligation (R'million)	**(241,9)**	**(233,0)**	**(253,0)**
Change (%)		**(3,7)**	**4,6**
Inflation rate			
Defined benefit obligation (R'million)	**(241,9)**	**(252,9)**	**(233,0)**
Change (%)		**4,6**	**(3,7)**

ANNEXURE F

POST-RETIREMENT MEDICAL AID OBLIGATIONS

for the year ended 30 September 2021

This information noted below summarises all key assumptions, valuation inputs and key disclosures relating to Tiger Brands

The company and its subsidiaries operate post-employment medical benefit schemes that cover certain of their employees and retirees. This practice has since been stopped for new employees. The liabilities are valued annually using the projected unit credit method. The latest actuarial valuation was performed on 30 September 2021.

	2021	2020
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	**9,7%**	10,7%
Medical inflation	**6,9%**	7,2%
Future salary increases	**6,9%**	7,2%
Post-retirement mortality tables	**PA(90) ultimate rated down 2 years plus 1% improvement pa from 2006**	PA(90) ultimate rated down 2 years plus 1% improvement pa from 2006

The risks faced by the group as a result of the post-retirement medical aid obligation can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and healthcare cost inflation are higher than expected and uncontrolled
- **Longevity:** The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected
- **Open-ended, long-term liability:** The risk that the liability may be volatile in the future and uncertain
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment liability may increase the liability for Tiger Brands
- **Future changes in the tax environment:** The risk that changes in the tax legislation governing employee benefits may increase the liability for Tiger Brands
- **Perceived inequality between current employees:** The risk of dissatisfaction of current employees who are not eligible for a post-employment healthcare subsidy
- **Administration:** Administration of this liability poses a burden to Tiger Brands
- **Future National Health Insurance (NHI):** The risk that the liability could be impacted due to the implementation of NHI and its impact on medical schemes
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced.

	2021			2020		
Sensitivity analysis*	**Base case**	**Medical inflation**		**Base case**	**Medical inflation**	
Key assumption	**6,9%**	**(1,0%)**	**1,0%**	7,2%	(1,0%)	1,0%
Accrued liability 30 September (R'million)	**563,8**	**522,6**	**611,1**	525,7	487,3	569,8
% change		**(7,3)**	**8,4**		(7,3)	8,4
Current service cost plus interest cost (R'million)	**53,7**	**49,3**	**58,7**	55,2	50,8	60,2
% change		**(8,2)**	**9,3**		(8,0)	9,1

	2021			2020		
	Base case	**Discount**		**Base case**	**Discount rate**	
Key assumption	**9,7%**	**(1,0%)**	**1,0%**	10,7%	(1,0%)	1,0%
Present value of obligations 30 September (R'million)	**563,8**	**613,9**	**521,0**	525,7	572,4	485,8
% change		**8,9**	**(7,6)**		8,9	(7,6)

	2021			2020		
	Base case	**Expected retirement age**		**Base case**	**Expected retirement age**	
Key assumption	**60/63/65 years**	**1 year younger**	**1 year older**	60/63/65 years	1 year younger	1 year older
Present value of obligations 30 September (R'million)	**563,8**	**566,2**	**560,8**	525,7	528,0	522,9
% change		**0,4**	**(0,5)**		0,4	(0,5)

The duration of the liability at 30 September 2021 is 9,3 years (2020: 9,4 years).

* *The sensitivity analysis relates to the total liability for the year.*

SEGMENT REPORT

for the year ended 30 September 2021

(R'million)	Revenue[1] 2021	Revenue[1] 2020	Operating income 2021	Operating income Restated* 2020	Depreciation and amortisation 2021	Depreciation and amortisation 2020
DOMESTIC OPERATIONS	**27 620,6**	26 428,7	**2 915,0**	2 564,4	**708,2**	634,6
Grains	**14 589,5**	13 920,4	**1 369,4**	1 235,7	**252,2**	254,3
Milling and Baking[2]	**10 118,7**	9 955,2	**1 016,0**	1 121,6	**221,6**	223,9
Other Grains[3]	**4 470,8**	3 965,2	**353,4**	114,1	**30,6**	30,4
Consumer Brands	**11 080,4**	10 667,9	**1 131,1**	940,5	**267,5**	261,8
Groceries	**5 532,6**	5 545,8	**396,5**	353,7	**141,0**	158,2
Snacks & Treats	**2 297,7**	2 140,9	**233,8**	170,5	**50,0**	44,2
Beverages	**1 656,1**	1 560,1	**260,5**	238,4	**40,4**	38,9
Out of Home	**497,3**	446,0	**97,3**	67,0	**–**	–
Baby Care[5]	**1 096,7**	975,1	**143,0**	110,9	**36,1**	20,5
Home, Personal Care (HPC)	**1 950,7**	1 840,4	**432,6**	399,5	**30,5**	28,7
Personal Care	**643,3**	661,3	**46,9**	78,8	**22,4**	19,0
Home Care	**1 307,4**	1 179,1	**385,7**	320,7	**8,1**	9,7
Other[4]	**–**	–	**(18,1)**	(11,3)	**158,0**	89,8
EXPORTS AND INTERNATIONAL	**3 588,2**	3 367,4	**96,2**	103,3	**99,2**	115,9
Exports[6]	**1 795,5**	1 539,7	**71,3**	32,8	**32,5**	29,0
International operations – Central Africa (Chococam)	**1 010,2**	942,3	**172,3**	148,7	**39,5**	39,1
Deciduous Fruit (LAF)	**1 210,6**	1 283,0	**(147,4)**	(78,2)	**27,2**	47,8
Other intergroup sales	**(428,1)**	(397,6)	**–**	–	**–**	–
Total from continuing operations before the following items:	**31 208,8**	29 796,1	**3 011,2**	2 667,7	**807,4**	750,5
Impact of product recall (refer note 3.1)	**(254,9)**		**(646,8)**			
Impact of the civil unrest (refer note 3.2)	**–**		**(85,2)**			
Restructuring and related costs			**(2,4)**	(68,2)		
Davita legal settlement			**–**	(66,6)		
Early settlement of lease liability			**–**	10,7		
IFRS 2 charges			**(41,3)**	(66,1)		
Total from continuing operations	**30 953,9**	29 796,1	**2 235,5**	2 477,5	**807,4**	750,5
Discontinued operation – Value Added Meat Products (VAMP)	**119,9**	1 178,4	**19,1**	(489,6)	**0,2**	38,8
Discontinued operations – West Africa	**–**	9,8	**–**	(13,5)	**–**	–
Total group	**31 073,8**	30 984,3	**2 254,6**	1 974,4	**807,6**	789,3

[1] *Refer to note 2.1 of the financial statements for further information on geographical split.*
[2] *Comprises maize milling, wheat milling and baking and sorghum-based products.*
[3] *Comprises rice, pasta and oat-based breakfast cereals.*
[4] *Includes the corporate office and management expenses relating to international investments.*
[5] *In order to bring external segmental reporting in line with internal reporting, Baby Care has been reclassified into the Consumer Brands segment, from Home, Personal and Baby Care previously. This change does not have a financial impact on the group and better reflects how management reviews financial information in order to allocate resources and assess performance. Prior year segmental numbers have been restated to reflect this change.*
[6] *The key markets contributing to Exports revenue is Mozambique at 43% (2020: 45%); Zambia at 10% (2020: 10%); Zimbabwe at 9% (2020: 3%); and Nigeria at 2% (2020: 2%).*
* *Restated as required in line with the presentation requirements of IAS 1 as part of continuous improvements in terms of IFRS. (Refer to note 21.2).*

All segments operate on an arm's length basis in relation to inter-segment pricing.

(R'million)	Total assets 2021	Total assets 2020#	Accounts payable, accruals and taxation 2021	Accounts payable, accruals and taxation 2020#	Capital expenditure 2021	Capital expenditure 2020
DOMESTIC OPERATIONS	**19 330,2**	17 992,3	**4 947,6**	3 821,1	**910,3**	772,5
Grains	**5 641,8**	5 486,4	**2 025,0**	1 356,2	**317,9**	277,3
Milling and Baking[1]	**3 792,0**	3 841,2	**1 179,5**	1 000,7	**209,2**	180,6
Other Grains[2]	**1 849,8**	1 645,2	**845,5**	355,5	**108,7**	96,7
Consumer Brands	**8 135,9**	8 357,5	**2 713,8**	2 095,0	**527,3**	355,2
Groceries	**4 112,9**	4 389,5	**1 433,4**	1 068,6	**264,4**	174,1
Snacks & Treats	**1 577,0**	1 357,3	**480,1**	455,8	**106,8**	83,5
Beverages	**1 144,7**	1 485,1	**322,0**	180,2	**99,7**	69,5
Home, Personal Care and Baby (HPCB)	**1 301,3**	1 125,6	**478,3**	390,4	**56,4**	28,1
Other[3]	**5 552,5**	4 148,4	**208,8**	369,9	**65,1**	140,0
EXPORTS AND INTERNATIONAL	**3 468,1**	3 483,3	**867,7**	789,1	**103,4**	121,0
Exports	**1 784,3**	1 642,1	**287,1**	212,8	**21,7**	25,8
International operations – Central Africa (Chococam)	**792,7**	845,9	**445,1**	433,6	**66,6**	36,2
Deciduous Fruit (LAF)	**891,1**	995,3	**135,5**	142,7	**15,1**	59,0
Assets classified as held for sale[4]	**–**	419,2			**–**	43,6
Total	**22 798,3**	21 894,8	**5 815,3**	4 610,2	**1 013,7**	937,1

[1] *Comprises maize milling, wheat milling and baking and sorghum-based products.*
[2] *Comprises rice, pasta and oat-based breakfast cereals.*
[3] *Includes the corporate office.*
[4] *Refer to note 36 for detail on assets classified as held for sale.*
Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).

(R'million)	2021	2020
Split of non-current assets		
South Africa	**7 222,8**	6 923,0
Outside South Africa	**1 167,1**	1 079,9
Total	**8 389,9**	8 002,9
Reconciliation of total assets		
Total assets per statement of financial position	**22 831,9**	21 917,2
Deferred taxation asset	**(33,6)**	(22,4)
	22 798,3	21 894,8

VALUE ADDED STATEMENT

Value added is a measure of the wealth the group has been able to create. The following statement shows how this wealth has been distributed.

	2021 (R'million)	(%)	2020* (R'million)	(%)
Revenue	**30 953,9**	**100,0**	29 796,1	100,0
Less: Net cost of products and services	**23 714,6**	**76,6**	22 145,6	74,3
Value added	**7 239,3**	**23,4**	7 650,5	25,7
Add: Income from investments and associates	**366,5**	**1,2**	382,0	1,3
Add: Foreign exchange (losses)/gains	**(8,7)**	**–**	40,1	0,1
Wealth created	**7 597,1**	**24,6**	8 072,6	27,1
Applied to:				
Employees				
– Salaries, wages and other benefits	**3 989,2**	**52,5**	4 117,6	51,0
Providers of capital	**1 760,1**	**23,2**	900,6	11,2
– Interest on financing facilities	**57,0**	**0,7**	110,8	1,4
– Dividends and capital distributions to non-controlling interests and preference shareholders	**19,5**	**0,3**	50,0	0,6
– Dividends to ordinary shareholders	**1 683,6**	**22,2**	739,8	9,2
Government				
Taxation (refer note 1)	**972,2**	**12,8**	1 073,7	13,3
Retained in the group	**875,6**	**11,5**	1 980,7	24,5
	7 597,1	**100,0**	8 072,6	100,0

(R'million)	2021	2020
Note 1		
Income taxation (excluding deferred tax)	**765,2**	769,0
Skills Development Levy	**30,0**	25,4
Rates and taxes paid to local authorities	**40,2**	32,1
Customs duties, import surcharges and excise taxes	**136,8**	247,2
Gross contribution to government	**972,2**	1 073,7

The payments to government exclude taxation deducted from employees' remuneration of R754,2 million (2020: R449,1 million), net VAT receivable of R152,2 million (2020 receivable: R9,2 million), excise duty on revenue and UIF payments.

(R'million)	2021	%	2020	%	2019	%	2018	%	2017	%
Trend of value added										
Employees	**3 989,2**	**52**	4 117,6	51	4 043,0	48	3 857,5	45	3 733,7	39
Providers of capital	**1 760,1**	**23**	900,6	11	5 681,7	67	1 932,7	23	2 066,6	22
Government	**972,2**	**13**	1 073,7	13	1 157,7	14	1 033,9	12	1 257,8	13
Retained in the group	**875,6**	**12**	1 980,7	25	(2 426,1)	(29)	1 821,2	20	2 444,2	26
	7 597,1	**100**	8 072,6	100	8 456,3	100	8 645,3	100	9 502,3	100

* *Restated as required in line with the presentation requirements of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*

FIVE-YEAR REVIEW

(R'million)	2021	Restated*# 2020	2019	2018	2017
Consolidated income statements					
Revenue	**30 954**	29 796	28 579	28 365	31 298
Profit before taxation, income from associates, non-operational items and impairments	**2 180**	2 319	3 193	3 271	4 317
Income from associated companies	**346**	352	371	731	533
Non-operational items and Impairments	**(127)**	(451)	1 762	(620)	(583)
Profit before taxation	**2 399**	2 220	5 326	3 382	4 267
Taxation	**(597)**	(727)	(965)	(835)	(1 234)
Profit for the year from continuing operations	**1 802**	1 493	4 361	2 547	3 033
Attributable to:					
Owners of the parent – continuing operations	**1 773**	1 467	4 333	2 520	3 011
Non-controlling interests – continuing operations	**29**	26	28	27	22
Consolidated statements of financial position					
Property, plant and equipment	**5 481**	5 059	4 976	4 599	4 588
Goodwill and intangible assets	**2 909**	2 943	3 221	3 447	3 597
Investments	**3 047**	2 855	2 732	5 102	4 720
Current assets	**11 362**	10 618	11 213	10 764	10 665
Assets classified as held for sale	**–**	419	24	–	365
Total assets	**22 799**	21 894	22 166	23 912	23 935
Issued capital and reserves before share-based payment reserve	**14 855**	14 941	14 612	16 691	16 244
Share-based payment reserve	**700**	687	632	611	560
Non-controlling interests	**147**	159	163	163	257
Deferred taxation liability	**150**	337	402	354	304
Provision for post-retirement medical aid	**564**	518	583	618	619
Long-term borrowings	**399**	197	–	74	2
Current liabilities	**5 984**	4 751	5 625	5 401	5 776
Liabilities classified as held for sale	**–**	304	149	–	173
Total equity and liabilities	**22 799**	21 894	22 166	23 912	23 935
Consolidated cash flow statements					
Cash operating profit after interest and taxation	**3 072**	2 297	2 528	2 998	4 024
Working capital changes	**110**	(53)	91	(573)	745
Dividends received	**115**	106	282	179	350
Cash available from operations	**3 297**	2 350	2 901	2 604	5 119
Dividends and capital distributions paid	**(1 684)**	(741)	(2 284)	(1 855)	(1 834)
Net cash flow from operating activities	**1 613**	1 609	617	749	3 285
Net cash flow from investing activities	**(856)**	(797)	(33)	(599)	(803)
Net cash flow before financing activities	**757**	812	584	150	2 482
Net cash flow from financing activities	**(245)**	(246)	(100)	(2)	(1 140)
Net increase in cash and cash equivalents	**512**	566	484	148	1 342

* *Restated as required in line with the presentation requirement of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*
\# *Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).*

SUMMARY OF RATIOS AND STATISTICS

(R'million)	2021	Restated*# 2020	2019	2018	2017
Ordinary share performance					
Number of ordinary shares upon which headline earnings per share is based (000)[2]	**165 735**	165 687	165 623	164 714	162 896
Headline earnings per ordinary share (cents)	**1 127**	940	1 322	1 589	2 161
Dividends per ordinary share (cents)[1]	**320**	434	627	1 080	1 080
Dividend cover (times)[1]	**3,5**	2,2	2,1	1,5	2,0
Net worth per ordinary share (cents)	**9 383**	9 433	9 201	10 448	10 307
Profitability and asset management					
Asset turnover (times)	**2,6**	2,6	2,4	2,3	2,5
Working capital per R1 revenue	**20,3**	21,4	22,3	21,6	19,9
Operating margin (%)	**7,2**	8,3	11,1	11,6	14,5
Effective taxation rate (%)	**24,9**	32,7	18,1	24,7	28,9
Return on equity (%)	**12,7**	9,0	13,9	16,7	22,1
Return on average net assets (%)	**19,3**	21,1	26,1	26,6	35,3
Financing					
Current ratio	**1,9**	2,2	2,0	2,0	1,8
Net interest cover (times)	**42**	27	–	79	25
Net (cash)/debt to net funding (%)	**(11)**	(10)	(8)	(3)	(3)
Total liabilities to total shareholders' funds (%)	**41**	31	37	31	34
Cash flow to net liabilities (%)	**72**	73	65	77	88
Employee statistics					
Number of employees at year end[3]	**11 093**	11 978	11 103	11 678	12 196
– permanent	**10 158**	11 188	10 543	11 348	11 705
– seasonal	**935**	790	560	330	491
Revenue per employee (R'000)	**2 790**	2 488	2 633	2 438	2 566
Value added per employee (R'000)	**653**	649	694	670	733
Operating profit per employee (R'000)	**202**	217	236	277	371
Economic indicators					
Consumer Price Index (September on September)	**5,0%**	3,0%	4,1%	4,8%	4,9%
Key closing exchange rates at 30 September vs ZAR					
– USD	**15,10**	16,81	15,15	14,17	13,51
– GBP	**20,35**	21,61	18,66	18,44	18,06
– EUR	**17,49**	19,66	16,52	16,41	15,95

1 Based on the sum of the interim dividend paid in the current year and the final dividend declared post year-end.
2 Net of treasury and empowerment shares.
3 Includes employees of international operations.
** Restated as required in line with the presentation requirement of IAS 1 as part of continuous improvements in terms of IFRS. (Refer note 21.2).*
 # Restated as the group reclassified customer rebates as part of continuous improvements in terms of IFRS 15. (Refer note 21.1).

(R'million)	2021	2020	2019	2018	2017
Stock exchange statistics					
Market price per share (cents)					
– year end	**18 727**	19 077	21 056	26 502	37 735
– highest	**22 634**	23 579	26 942	47 450	42 900
– lowest	**17 800**	15 141	20 505	26 502	35 945
Number of transactions	**573 280**	913 673	993 320	914 360	952 691
Number of shares traded (000)	**109 634**	205 890	179 529	197 471	171 231
Value of shares traded (Rm)	**22 359**	38 299	44 278	72 584	67 133
Number of shares traded as a percentage of total issued shares	**66,2**	124,3	108,4	104,0	89,2
Dividend yield at year end (%)	**1,7**	2,3	5,0	4,1	2,9
Earnings yield at year end (%)	**5,9**	5,0	6,3	5,9	5,9
Price earnings ratio at year end	**17**	20	16	17	17
Market capitalisation at year end (Rm)	**35 547**	36 212	39 968	50 306	72 478
Market capitalisation to shareholders' equity at year end (times)	**2,3**	2,3	2,6	2,9	4,3

DEFINITIONS

Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue during the year (net of treasury and empowerment shares).
Dividend cover	Headline earnings per share divided by the total ordinary dividend per share for the year, comprising the interim dividend paid and final dividend declared post year-end. Where applicable the denominator includes the capital distribution paid out of share premium.
Net worth per ordinary share	Interest of ordinary shareholders after deducting the cost of treasury and empowerment shares divided by the number of ordinary shares in issue at the year end, excluding treasury and empowerment shares.
Asset turnover	Revenue divided by the average of net assets, excluding cash resources, short-term and long-term borrowings, taxation, shareholders for dividends and the carrying value of investments, at the beginning and end of the financial year.
Working capital per R1 000 revenue	The average of inventory and receivables less payables, excluding dividends payable to shareholders and taxation, at the beginning and end of the financial year divided by revenue (R'000).
Operating margin	Operating profit as a percentage of revenue.
Non-operational items	Items of income and expenditure which are not directly attributable to normal operations and where their size or nature are such that additional disclosure is considered appropriate.
Effective taxation rate	Taxation charge in the income statement as a percentage of profit before taxation.
Return on equity	Profit attributable to ordinary shareholders excluding non-operational items divided by issued capital and reserves.
Return on average net assets employed	Operating profit as a percentage of the average of net assets, excluding cash resources, short-term and long-term borrowings, taxation, shareholders for dividends and the carrying value of investments, at the beginning and end of the financial year.
Current ratio	Ratio of current assets to current liabilities.
Net interest cover	Operating profit plus dividend income divided by net finance costs.
Net funding	Capital and reserves, non-controlling interests and long-term and short-term borrowings net of cash.
Net debt	Cash and cash equivalents less long-term borrowings and short-term borrowings.
Total liabilities	Long-term borrowings and current liabilities.
Total equity	Total equity includes ordinary share capital and share premium, less treasury shares and shares held by empowerment entities, plus reserves and non-controlling interests.
Cash flow to net liabilities	Cash generated from operations after interest and taxation as a percentage of total liabilities less cash resources.
Dividend yield	Dividends and capital distributions as a percentage of year-end market price per share.
Earnings yield	Headline earnings per share as a percentage of year-end market price per share.
Price:earnings ratio	Year-end market price per share as a multiple of headline earnings per share.

SHAREHOLDERS' INFORMATION

ANALYSIS OF REGISTERED SHAREHOLDERS AND COMPANY SCHEMES

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	11 833	85,17	2 115 566	1,11
1 001 – 10 000 shares	1 545	11,12	4 844 770	2,55
10 001 – 100 000 shares	385	2,77	12 380 059	6,52
100 001 – 1 000 000 shares	96	0,69	26 655 481	14,04
1 000 001 shares and above	34	0,25	143 823 050	75,78
Total	**13 893**	**100,00**	**189 818 926**	**100,0**

Public and non-public shareholdings

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/company related schemes as being:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders*	9	0,06	24 292 420	12,80
Empowerment holdings	5	0,03	13 750 556	7,24
Own holding	1	0,01	10 326 758	5,44
Share trust	2	0,01	202 331	0,11
Directors and associates	1	0,01	12 775	0,01
Public shareholders	13 884	99,94	165 526 506	87,20
Total	**13 893**	**100,00**	**189 818 926**	**100,0**

* *Includes directors, pension/retirement funds and treasury shares.*

SUBSTANTIAL INVESTMENT MANAGEMENT AND BENEFICIAL INTERESTS

Substantial investment management and beneficial interests above 3,0%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 30 September 2021.

Investment management shareholdings

Investment manager	Total shareholding	%
Silchester International Investors LLP	30 655 498	16,15
PIC	23 622 060	12,44
Allan Gray Proprietary Limited	12 656 261	6,67
Sprucegrove Investment Management	11 869 763	6,25
Tiger Consumer Brands Limited	10 326 758	5,44
The Vanguard Group Inc	10 254 436	5,40
Tiger Brands Foundation SPV Proprietary Limited	9 111 810	4,80
BlackRock Inc	6 383 244	3,36
Total	**114 879 830**	**60,51**

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	25 213 832	13,28
Silchester International Business Trust	17 661 398	9,30
Tiger Consumer Brands Limited	10 326 758	5,44
Tiger Brands Foundation SPV Proprietary Limited	9 111 810	4,80
Silchester International Value Equity	6 900 514	3,64
Total	**69 214 312**	**36,46**

COMPANY INFORMATION

TIGER BRANDS LIMITED
(Tiger Brands or the company)
(Incorporated in the Republic of South Africa)
Share code: TBS
ISIN: ZAE000071080

INDEPENDENT NON-EXECUTIVE DIRECTORS
GJ Fraser-Moleketi (chairman), MO Ajukwu, MJ Bowman, CH Fernandez, GA Klintworth, M Makanjee, TE Mashilwane, M Sello, OM Weber, DG Wilson

EXECUTIVE DIRECTORS
NP Doyle (chief executive officer)
DS Sita (chief financial officer)

COMPANY SECRETARY
JK Monaisa

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PRINCIPAL BANKER
Rand Merchant Bank

SPONSOR
JP Morgan Equities South Africa (Pty) Limited

SOUTH AFRICAN SHARE TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
Private Bag X9000, Saxonwold, 2132

AMERICAN DEPOSITORY RECEIPT (ADR) FACILITY
ADR Administrator
The Bank of New York Mellon

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TIGER BRANDS

FORWARD-LOOKING INFORMATION
This report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations at the time of finalising the report. Actual results may differ materially from these expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. Tiger Brands cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these statements. The company assumes no obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, save as required by legislation or regulation.

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