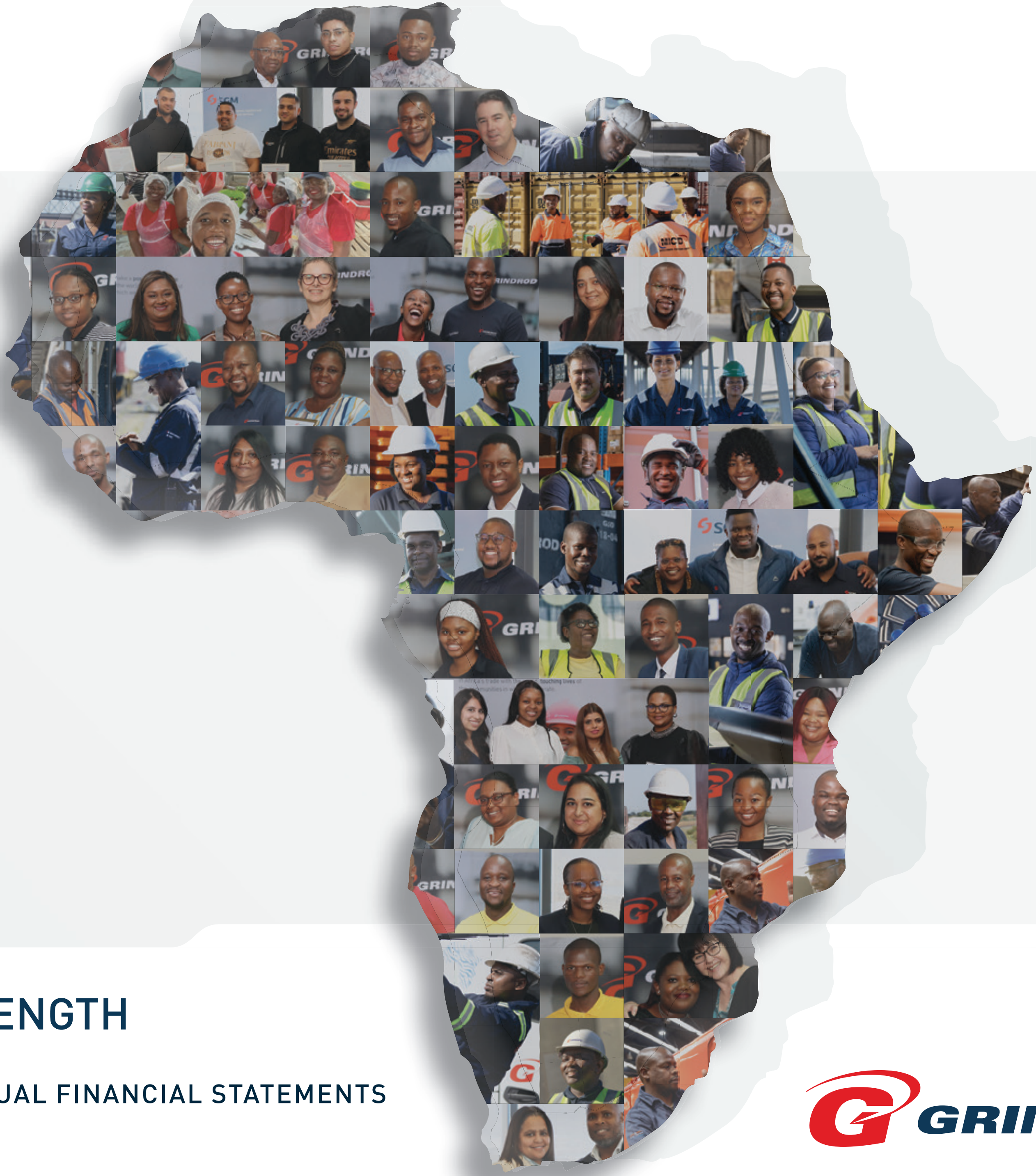
2023



OUR PEOPLE OUR STRENGTH

GRINDROD LIMITED **AUDITED ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 December 2023

PORT
TERMINALS
LOGISTICS

GRINDROD

CONTENTS

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2023

The preparation of the consolidated and separate Annual Financial Statements that fairly represent the results of the Group in accordance with the Companies Act, No 71 of 2008 (Companies Act), International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), the Financial Reporting Pronouncement (as issued by the Financial Reporting Standards Council) and JSE Listing requirements is ultimately the responsibility of the directors.

The Board also ensures an independent audit of the Annual Financial Statements by the external auditors. The Board confirms that the internal accounting control systems have adequate verification and maintenance of accountability for Grindrod Limited's (Grindrod or the Company) assets, and assure the integrity of the Annual Financial Statements. There was no major breakdown in controls experienced during 2023 that could undermine the reliability of the Annual Financial Statements. Based on the financial performance of the Grindrod Group, its cash flow projection to the end of March 2025, secured funding lines, and positive solvency and liquidity tests, the directors confirm their view that the Grindrod Group will remain operational for the foreseeable future. The Annual Financial Statements were consequently prepared on a going concern basis.

At the Board meeting held on 04 April 2024 , the Board of directors approved the Annual Financial Statements and further authorised Cheryl Carolus and Xolani Mbambo in their respective capacities as chair and chief executive officer to sign off the Annual Financial Statements. The Annual Financial Statements which appear on pages 8 to 74, are therefore signed on its behalf by:

Cheryl Carolus
Chair

Durban
04 April 2024

Xolani Mbambo
Chief Executive Officer (CEO)

Durban
04 April 2024

CEO AND CFO RESPONSIBILITY STATEMENT

for the year ended 31 December 2023

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

a) The Annual Financial Statements set out on pages 8 to 74, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;

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

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

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

f) We are not aware of any fraud involving directors.

Fathima Ally CA (SA)
Chief Financial Officer

Durban
04 April 2024

Xolani Mbambo
Chief Executive Officer

Durban
04 April 2024

COMPLIANCE STATEMENT BY THE GROUP COMPANY SECRETARY

for the year ended 31 December 2023

The Group Company secretary of Grindrod Limited certifies that, in terms of section 88(2) of the Companies Act, No 71 of 2008, as amended, the Company has lodged with the Companies and Intellectual Property Commission of South Africa all such returns and notices as are required of a public company in terms of this Act and that all such returns are true, correct and up to date in respect of the financial year ended 31 December 2023.

Vicky Commaille
Group Company Secretary

Durban
04 April 2024

PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2023

The consolidated and separate Annual Financial Statements, which appear on pages 8 to 74 have been prepared under the supervision of Fathima Ally, CA (SA) and were approved by the Board of directors on 04 April 2024.

Fathima Ally CA (SA)
Chief Financial Officer

Durban
04 April 2024

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 December 2023

AUDIT COMMITTEE

The Audit committee is a statutory Board sub-committee, appointed by the shareholders to assist the Board in its corporate governance supervision responsibilities. The committee operates independently of management, is free of any organisational restraint or pressure and acts in accordance with its statutory duties and the delegated authority of the Board, within formally approved Terms of Reference, reviewed and approved annually.

ROLE OF THE COMMITTEE

The committee:

- Ensures the integrity of integrated and financial reporting, and that adequate systems, controls and financial risk management policies, procedures and standards are in place;
- Has access to all financial information of Grindrod, allowing for effective preparation and reporting of the financial statements;
- Oversees the qualifications, independence and effectiveness of the internal and external audit functions;
- Investigates any activity within the scope of its terms of reference; and
- Obtains independent professional advice to ensure effective governance.

The committee is responsible to ensure appropriate corporate governance and compliance within the scope of its mandate, with a specific focus on the potential risks to Grindrod, and for IT governance and the strategic alignment of IT with the performance and sustainability objectives of Grindrod. The committee is also, subject to Board approval, authorised to investigate any activity within the scope of its Terms of Reference and to interact with directors, management, employees and assurance providers and to obtain independent professional advice to ensure effective governance. The committee has decision-making authority regarding its statutory duties and is accountable to the Board and Grindrod's shareholders.

COMPOSITION AND COMMITTEE MEETINGS

The committee composition adheres to the requirements of the Companies Act, the JSE Listings Requirements and King IV. The chair of the Board may not serve as chair or as a member of the committee. The committee comprises three independent non-executive directors, all of whom are financially literate. During the year under review, Grant Gelink, following a much valued tenure as Chair of the Audit committee, retired as non-executive director at the annual general meeting held 25 May 2023, at which meeting shareholders confirmed the election of Zimkhitha Zatu Moloi as member and Chair of the Audit committee and Deepak Malik and Ben Magara as members.

The independence of the Audit committee and performance of its members was evaluated by the Nomination committee during February 2024. The Board proposes the election of Zimkhitha Zatu Moloi, Deepak Malik and Ben Magara as members of the Audit committee at the forthcoming Annual General Meeting. More details of these directors are provided on page 8 of the integrated annual report.

The committee invites the Chair, the CEO, the CFO, together with the internal audit manager and representatives of the external auditors to attend its meetings.

Committee members meet at scheduled meetings twice a year and at unscheduled meetings when required to address urgent matters in its scope of responsibility. Four special Audit committee meetings were held in 2023 to approve, *inter alia,* the Trading Statement, 2022 Annual Financial Statements and integrated annual report, and relating to the appointment of a new audit firm and audit partner following the more than ten year tenure of Deloitte & Touche as external auditors of the Group. Attendance of committee members at the meetings of the committee during the year was 100%, as detailed on page 9 of the integrated annual report.

Fees paid to the committee members are reflected on page 91 in the remuneration report, and the proposed fees for 2024 are detailed on page 98, of the integrated annual report.

The Group Company Secretary serves as secretary to the committee. The internal and external auditors have unrestricted access to the Chair and members of the committee. In 2023, the Chair of the committee had four meetings with the internal auditors and four with the external auditors without management being present. During these meetings no material issues were raised.

KEY ACTIVITIES

In terms of its mandate, matters considered by the Audit committee based on its annual work plan for 2023 included:

- Ensuring that appropriate financial reporting procedures exist and are working, including the consideration of all entities forming part of the consolidated Group financial statements;
- Ensuring the integrity and effectiveness of reporting in the 2023 integrated annual report;
- Ensuring access to all financial information required to effectively report on the financial statements of the Group;
- Reviewing and confirming the going concern status;
- Reviewing the Annual Financial Statements and results and dividend announcement for the year ended 31 December 2023 and the 2023 integrated annual report in line with applicable legislative and regulatory compliance and recommendation thereof for approval by the Board of directors, and ensuring the integrity and effectiveness of reporting in the integrated annual report, and assess the internal financial controls attestation;
- Requesting and receiving all decision letters, findings and reports from the external auditors in compliance with the JSE Listings Requirements;
- Assessing the suitability, expertise and experience of the Financial Director and the expertise, experience and resources of Grindrod's finance function; and following assessment, resolved that the Group Financial Director had the necessary expertise and experience to carry out her duties, and that the Finance function was adequately experienced and resourced;
- Assessing the performance of the internal audit manager, and evaluating the independence, effectiveness and performance of the internal audit function; and following assessment resolved that the performance of the internal audit manager and of the internal audit function to be satisfactory;
- Evaluating the performance of the Audit committee;
- Reviewing and approving the internal audit charter, annual work plan and internal audit fees;
- Reviewing the combined assurance model and the effectiveness of the process for identifying, assessing and reporting on significant internal financial-control and fraud risks as related to financial reporting;
- Reviewing the internal auditors' limited assurance report;
- Reviewing the Group IT governance report and IT risks, and evaluation of audit assessments of IT-related controls performed by the internal and external auditors together with the appropriateness of actions taken by management to address key issues identified;
- Reviewing the external auditors' work plan, staffing, independence, effectiveness, audit findings, key audit risks and external audit report;
- Nominating the independent external auditor and rotation of the designated audit partner and the approval of their terms of engagement and fees for audit services, for approval by shareholders at the Annual General Meeting;
- Reviewing the extent of non-audit services provided by the independent external auditor including approval of the related fees;
- Approving the non-audit services policy;
- Oversight of the audit firm rotation for the 2024 financial reporting year;
- Managing the new audit firm and audit partner appointment process to be effective for the 2024 financial reporting year;
- Recommendation to the shareholders of the appointment of PriceWaterhouseCoopers (PwC) following the conclusion of a robust tender process, duly approved; and
- Ensuring a smooth transition following the appointment of PwC for the 2024 financial reporting year.

Deloitte & Touche served as Grindrod's registered external auditors for the 2023 financial year. The committee meets with the external auditors at least twice a year. In assessing the auditor's independence, the committee considered guidance contained in King IV as well as IRBA publications and the related commentary thereon.

REPORT OF THE AUDIT COMMITTEE continued

for the year ended 31 December 2023

Deloitte & Touche have been auditors of the Grindrod Group for 20 years, and audit partner Mark Holme for four years, and have demonstrated an institutional knowledge, deep expertise and experience of the Group in all the related countries in which the Group operates. The committee is satisfied that in discharging its duties in terms of its mandate, together with the robust internal Deloitte & Touche independence processes that Deloitte & Touche's independence is maintained and has not been impacted by tenure.

Following its assessment and review the committee accepted the Audit committee pack submitted by the external auditor as required in terms of the JSE Listings Requirements and confirmed that the external auditor and designated audit partner met the required standards prescribed by the JSE Listings Requirements.

The committee is satisfied that the auditors do not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from Grindrod. External audit fees approved for the 2023 financial year to Deloitte & Touche amounted to R28.0 million (2022: R26.9 million) plus an additional R1.3 million for scope changes.

The total non-audit services for the 2023 financial year performed by Deloitte & Touche amounted to R7.0 million (2022: R4.5 million), of which 74.1% relates to permitted consulting advisory services (2022: 71.7% relates to permitted consulting advisory services).

Following review, the committee satisfied itself that the auditors' independence was not prejudiced by any consultancy, advisory or other work undertaken or as a result of any previous appointment as auditor.

SIGNIFICANT AREAS OF JUDGEMENT

Many areas within the financial statements require judgement, which are set out in note 1 of the Annual Financial Statements.

KEY AUDIT MATTERS

The Committee applied its mind to the key audit matter identified by the external auditors and is comfortable that this has been adequately addressed and disclosed.

The item, which required significant judgment is detailed below:

Material property backed loan and warranty provision

Included in the Group's "Loans and Advances", is a material loan carried at fair value of R0.8 billion (2022: loans of R0.9 billion) secured by the borrower's property holdings. In addition, on disposal of Grindrod Bank Limited (Grindrod Bank) in 2022, a warranty was granted to African Bank Limited (African Bank) on specific loans. Based on the fair valuation of the underlying security that Grindrod Bank has, a warranty provision of R126.0 million (2022: R70.0 million) was raised.

The valuation of the properties securing the loans, the related profit shares and the warranty is a Key Audit Matter due to the material amounts, the significant judgements associated with determining the fair value of the security and the considerable length of time since the loans were originally granted.

More detail on these matters is set out in the independent auditor's report on page 6.

INTERNAL FINANCIAL CONTROLS ATTESTATION

In terms of paragraph 3.84(k) of the JSE Listings Requirements, the CEO and CFO are to make positive statements around their responsibilities to ensure the establishment and maintenance of internal financial controls over the Annual Financial Statement preparation.

The committee has overseen a process guided by principle 15 of the King Code, by which Grindrod's management and internal audit performed an assessment of the effectiveness of the Company and its consolidated subsidiaries internal financial controls, and that these functions support the integrity of information for Grindrod's Annual Financial Statements preparation.

The following was assessed to substantiate the CEO and CFO's attestation of financial controls:

- The determination of materiality and the identification of risks associated with significant subsidiaries;
- Testing the design and implementation of financial controls and utilising internal audit as well as management self-assessments to test the operating effectiveness of financial controls; and
- Obtaining assurance letters including control attestations from divisional heads.

The CEO, CFO and the internal auditor reviewed the internal financial controls and reported their findings to the Audit committee. The Audit committee considered the identified deficiencies as well as management's responses (and mitigations) and agreed action plans to remediate in the short term, where not already reported as remediated by management and/or internal audit.

The Audit committee was satisfied that none of the deficiencies identified were pervasive to all subsidiaries nor resulted in any loss to the Group. They also did not arise because of fraud by senior management.

As a result, the Audit committee was satisfied with the CEO and CFO internal financial control attestation for the year ended 31 December 2023.

ANNUAL FINANCIAL STATEMENTS

Following the committee's review of the Annual Financial Statements for the year ended 31 December 2023, it is of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and IFRS as issued by the IASB, and the JSE Listings Requirements and fairly present the results of operations, cash flows and the financial position of Grindrod. On this basis, the committee recommended that the Board of Directors approve the Annual Financial Statements of Grindrod for the year ended 31 December 2023.

INTEGRATED ANNUAL REPORT

The committee reviewed this report, taking cognisance of material factors and risks that may impact the integrity thereof and recommended that the Board of directors approve the integrated annual report of Grindrod for the year ended 31 December 2023.

EXTERNAL AUDITOR ROTATION

The rotation of the external auditors, Deloitte & Touche, is being implemented for Grindrod's 2024 financial year. A tender process commenced in 2022 and was finalised in 2023. Following a robust and comprehensive screening and bid evaluation process, the Audit committee and Board of Directors proposed to shareholders the appointment of PricewaterhouseCoopers Incorporated to be appointed as the Group's external auditors for the financial year ending 31 December 2024, with Nqaba Ndiweni acting as the designated audit partner. The change in audit firm was approved by shareholders, under a non-binding vote, at the annual general meeting held on 25 May 2023, with a binding vote tabled for approval at the Company's forthcoming Annual General Meeting to be held on 23 May 2024.

Zimkhitha Zatu Moloi

Chair

04 April 2024

DIRECTORS' REPORT

for the year ended 31 December 2023

The directors have pleasure in presenting the consolidated and separate Annual Financial Statements of Grindrod Limited for the year ended 31 December 2023.

NATURE OF BUSINESS

Grindrod is a logistics company with significant investments in the marine fuel trading sector. Its key operations consist of Port and Terminals which provide dry-bulk commodities handling services along key trade corridors in South Africa, Mozambique and Namibia. The Logistics segment operates a ships agency, clearing and forwarding and rail services as well as container handling landside operations.

REVIEW OF OPERATIONS

The financial results for the year ended 31 December 2023 and the results of operations are covered in the consolidated and separate statements of financial position, income statements, statements of comprehensive income and segmental analysis on pages 8 to 15, 68 and 69.

ACQUISITIONS AND DISPOSALS

During the year, the group acquired the remaining 40.3% interest in RBT Grindrod Terminals Proprietary Limited, previously held as a 59.7% joint venture, and also acquired a 51% interest in Zambia Furnace Supplies Limited.

The acquisition of the remaining shareholding in RBT Grindrod Terminals Proprietary Limited is in line with Grindrod's strategic intent to consolidate its bulk terminals operations in Richards Bay and to exit the joint venture partner. Zambia Furnace Supplies Limited was acquired to increase Grindrod's rail service offering in the North South corridor.

The assets and associated liabilities previously disclosed as held for sale were disposed of on 01 January 2023 as part of the joint venture transaction with Maersk. Grindrod now has a 49% shareholding in Grindrod Logistics Proprietary Limited, a container landside depot and seafreight business.

SHARE CAPITAL

Details of the authorised and issued shares are shown in note 15 on page 34 and the share analysis on pages 75 to 76. The directors propose that the general authority be granted to them to repurchase ordinary shares as opportunities present themselves be renewed at the forthcoming Annual General Meeting. The directors propose that a general authority be granted to them to allot and issue ordinary shares up to 5% of the number of ordinary shares in issue and that a general authority be granted to issue shares for cash.

ORDINARY AND PREFERENCE DIVIDENDS

Notice is hereby given that a final gross ordinary dividend of 38.0 cents per share (2022: 22.2 cents per share) has been declared out of income reserves for the year ended 31 December 2023. The final net ordinary dividend is 30.4 cents per share for ordinary shareholders who are not exempt from dividends tax. As at the date of this announcement, there were 698 031 586 ordinary shares in issue.

The directors declared a dividend of 521.0 cents (2022: 421.0) cents per preference share.

SPECIAL RESOLUTIONS

Apart from special resolutions approved at the Company's Annual General Meeting, no other special resolutions were approved.

Special resolutions were passed by certain subsidiaries within the Group to amend their memorandum of incorporation and to authorise, as a general approval, the directors of certain companies to provide financial assistance in terms of section 45 of the Companies Act, as amended.

GROUP COMPANIES

Information on joint ventures and associate companies is contained in notes 5 and 6 of the consolidated Annual Financial Statements. Information on subsidiaries is contained on page 74, and in note 5 of the Company Annual Financial Statements. The business review of the main operating segments is covered on page 3 of the reviewed condensed consolidated financial statements and cash dividend declaration for the year ended 31 December 2023 published on 07 March 2024.

DIRECTORATE

Brief *curricula vitae* of the current directors are disclosed on page 8 of the integrated annual report. Details of directors' remuneration and the incentive schemes appear in note 37 of the consolidated Annual Financial Statements.

Grant Gelink retired at the 25 May 2023 Annual General Meeting.

The registered office of the Company is as follows:

Business address: Grindrod Mews, 106 Margaret Mncadi Avenue, Durban, 4001, South Africa

Postal address: PO Box 1, Durban, 4000, South Africa

AUDIT COMMITTEE

At the forthcoming Annual General Meeting, pursuant to the requirements of section 94(2) of the Companies Act, shareholders will be requested to pass an ordinary resolution appointing the chair and members of the Audit Committee.

MAJOR SHAREHOLDERS

Shareholders holding beneficially, directly or indirectly, in excess of 5% of the issued share capital of the Company are on the share analysis from page 75 and 76.

AUDITOR ROTATION

At the forthcoming Annual General Meeting, pursuant to the requirements of section 90(1), read with section 61(8)(c) of the Companies Act, shareholders will be requested to pass an ordinary resolution to appoint PricewaterhouseCoopers Incorporated ("PWC") as the Group's external auditors for the financial year ending 31 December 2024, with Nqaba Ndiweni acting as the designated audit partner.

SUBSEQUENT EVENTS

The concession for MPDC, in which Grindrod holds a 24.7% share to operate the Port of Maputo, was officially extended by 25 years to 2058. This is a non-adjusting post balance sheet event. There are no other material post balance sheet events to report.

GOING CONCERN

The directors consider that the Group and Company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis of accounting in preparing the Group and Company's Annual Financial Statements. Based on the financial performance of the Group, its cash flow projection to the end of March 2025, secure funding lines, and positive solvency and liquidity tests, the Group will remain operational for the foreseeable future.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Grindrod Limited

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Grindrod Limited (the Group and Company) set out on pages 8 to 74, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate income statements, the consolidated statement of other 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 material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Grindrod Limited and its subsidiaries as at 31 December 2023, 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 in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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. The key audit matter applies to the consolidated financial statements and there is no key audit matter for the separate financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Material property backed loan and warranty provision</td></tr>
<tr><td>
Included in the Group's "Loans and advances", is a material loan carried at fair value, secured by the borrower's property holdings.
The loan, with a fair value of R842.5 million, detailed in note 35.1, includes profit share arrangements, directly linked to the profit on the disposal or development of the underlying properties securing the loan.
Additionally, Grindrod Bank had advanced loans to other borrowers also secured by properties. On the disposal of Grindrod Bank, Grindrod Limited gave warranties to African Bank on specific loans up to a maximum of R300 million. Based on the fair valuation of the underlying security that Grindrod Bank has, Grindrod Limited has raised a warranty provision included in note 18, of R126.0 million.
The properties securing the loans by Grindrod and Grindrod Bank are adjacent to each other on the North Coast of KwaZulu-Natal.
The fair value of the loan has been determined by the directors, in the absence of an observable market price. The valuation process is described in note 35.1 to the consolidated annual financial statements. This valuation is a Level 3 valuation in accordance with IFRS 13: Fair Value Measurement, where the fair value is not based on observable market data.
The warranty provision was calculated with reference to the outstanding loan balances still owed to Grindrod Bank, less the fair value of the underlying properties securing the loans.
The directors believe the recorded fair value of the loan to be appropriate within a reasonable range of possible outcomes. Similarly, the directors believe that the warranty provision is fairly calculated within a reasonable range of possible outcomes in accordance with IAS 37: Provisions, Contingent Liability and Contingent Assets.
In determining the ranges, the directors obtained independent external valuations of the properties securing the loans. These underlying property valuations are a key input in determining the fair value of the loans and in calculating the warranty provision.
The property valuations are subject to judgement and estimation uncertainty.
We identified the valuation of the properties securing the Grindrod and Grindrod Bank loans, as a Key Audit Matter due to the material exposures and the significant judgements and estimates associated with determining the fair value of the properties.
</td><td>
In evaluating the fair value of the material property backed loan and warranty provision, we performed the following procedures:
Regarding the Loan and Warranty Agreements, Deloitte:

inspected the latest loan agreements and considered the terms of the loan including the related profit share elements and the nature of the security held by the Group;
inspected the terms of the Grindrod Bank sale agreement to gain an understanding of the warranties provided to African Bank;
utilised internal accounting specialists and evaluated the directors' conclusion that the loan, together with the profit share elements, is a financial instrument measured at fair value as it is not subject to the repayment solely or primarily of principal and interest;
utilised internal valuation specialists who concurred that the valuation of the loan is closely but not exclusively linked to the valuation of the underlying security.

Regarding the Property Valuations, Deloitte:

benchmarked the key inputs, specifically the estimated selling prices per hectare and the highest and best use estimates, used in the directors' valuations, to external evidence. This evidence included recent professional valuations of the underlying properties and our audit procedures included assessing key inputs for reasonability in relation to relevant market indicators and recent social and economic developments in the region;
considered how the directors' valuation factored in the lack of liquidity of the undeveloped coastal properties and the uncertainty surrounding both the time to disposal or development by the owners. We considered that the land is currently zoned as "Agricultural" and that no development activities had yet commenced;
considered the value of securities held by other parties over the same properties and the respective rankings.

We found that the directors' calculated fair value of the underlying properties, which is critical in determining the fair value of the loan and the warranty provision, were appropriate. The fair value of the loan and the relevant disclosures, including the "Level 3" type valuation, included in note 35.1, are appropriate in all material respects.
</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT continued

to the shareholders of Grindrod Limited

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled *"Grindrod Limited Audited Annual Financial Statements for the year ended 31 December 2023"*, which includes the Directors' Report, the Report of the Audit Committee, the Compliance Statement by the Group Company Secretary, as required by the Companies Act of South Africa, and the CEO and CFO Responsibility Statement which we obtained prior to the date of this report. The other information does not include the consolidated and 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 and will 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the 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.

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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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 Deloitte & Touche has been the auditor of Grindrod Limited for 20 years.

DocuSigned by:

Deloitte & Touche

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Deloitte & Touche
Registered Auditor
Per: MH Holme CA(SA), RA
Partner

04 April 2024

5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg
2090
South Africa

STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	Notes	Consolidated 2023 R000	2022 R000
ASSETS			
Non-current assets			
Property, terminals, machinery, ship, vehicles and equipment	2	**1 773 131**	1 681 084
Right-of-use assets	2	**481 727**	636 853
Investment property	3	**668 051**	113 252
Goodwill and intangible assets	4	**350 437**	356 678
Investments in joint ventures	5	**4 695 899**	3 440 943
Investments in associates	6	**221 385**	187 590
Other investments	7	**203 620**	567 770
Deferred taxation assets	8	**121 824**	124 722
Finance lease receivables	9	**429 477**	111 023
Loans and advances	10	**1 014 288**	1 072 958
Long-term receivable	11	**–**	204 950
Total non-current assets		**9 959 839**	8 497 823
Current assets			
Inventories		**54 442**	38 827
Trade and other receivables	12	**1 660 150**	1 670 186
Current portion of finance lease receivables	9	**82 959**	22 338
Current portion of long-term receivable	11	**253 589**	–
Taxation receivable		**38 848**	20 005
Money market funds	13	**416 336**	–
Cash and cash equivalents		**2 105 909**	2 605 514
		4 612 233	4 356 870
Non-current assets classified as held for sale	14	**–**	974 805
Total current assets		**4 612 233**	5 331 675
Total assets		**14 572 072**	13 829 498

	Notes	Consolidated 2023 R000	2022 R000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	15	**3 936 323**	3 934 557
Non-distributable reserves		**2 607 411**	2 163 645
Accumulated profit		**3 387 863**	2 785 174
Equity attributable to owners of the Company		**9 931 597**	8 883 376
Non-controlling interests		**(53 500)**	(61 914)
Total equity		**9 878 097**	8 821 462
Non-current liabilities			
Long-term borrowings	16	**1 443 595**	1 087 767
Lease liabilities	16	**523 368**	446 344
Long-term private equity funding	17	**120 653**	108 924
Deferred taxation liabilities	8	**55 309**	14 132
Provision for post-retirement medical aid		**19 891**	20 202
Provisions and other liabilities	18	**185 077**	140 325
Total non-current liabilities		**2 347 893**	1 817 694
Current liabilities			
Current portion of long-term borrowings	16	**154 518**	235 820
Current portion of lease liabilities	16	**114 450**	161 829
Current portion of private equity funding	17	**–**	63 444
Current portion of provisions and other liabilities	18	**40 126**	40 350
Trade and other payables	20	**1 677 816**	1 662 610
Taxation payable		**92 893**	251 518
Short-term borrowings and bank overdraft	16	**266 279**	410 967
		2 346 082	2 826 538
Non-current liabilities associated with assets classified as held for sale	14	**–**	363 804
Total current liabilities		**2 346 082**	3 190 342
Total equity and liabilities		**14 572 072**	13 829 498

INCOME STATEMENT
for the year ended 31 December 2023

	Notes	Consolidated 2023 R000	2022 R000
CONTINUING OPERATIONS			
Revenue*	21	**4 845 572**	5 883 735
Trading profit before expected credit losses and depreciation and amortisation^**	22.1	**1 015 055**	1 372 265
Expected credit losses^#	22.2	**(92 030)**	(267 114)
Depreciation and amortisation	22.2	**(391 631)**	(486 338)
Profit before interest, taxation and non-trading items		**531 394**	618 813
Non-trading items	23	**(15 175)**	61 002
Interest income	24	**240 642**	141 487
Interest expense	24	**(219 967)**	(218 024)
Profit before share of associate and joint venture companies' profit		**536 894**	603 278
Share of joint venture companies' profit after taxation	5	**805 237**	543 041
Share of associate companies' profit after taxation	6	**19 228**	31 563
Profit before taxation		**1 361 359**	1 177 882
Taxation	25	**(301 606)**	(347 864)
Profit for the year from continuing operations		**1 059 753**	830 018
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations	26	**–**	(175 153)
Profit for the year		**1 059 753**	654 865
Attributable to:			
Ordinary shareholders		**987 776**	601 081
From continuing operations		**987 776**	776 234
From discontinued operations		**–**	(175 153)
Preference shareholders		**74 378**	56 396
Non-controlling interests		**(2 401)**	(2 612)
		1 059 753	654 865

	Notes	Consolidated 2023 R000	2022 R000
Basic earnings/(loss) per share (cents)	27	**148.0**	90.1
From continuing operations		**148.0**	116.4
From discontinued operations		**–**	(26.3)
Diluted Basic earnings/(loss) per share (cents)	27	**147.9**	90.0
From continuing operations		**147.9**	116.3
From discontinued operations		**–**	(26.3)

* Revenue was impacted by reduced value added service mineral export sales, reduced charters and the disposal of Grindrod Logistics in the current year. Revenue includes R999.4 million (2022: R3 024.5 million) relating to the above-mentioned revenue streams.

** Current year trading profit includes R348.7 million net fair value losses (2022: R311.4 million) relating to the private equity and property segment.

^ These items combined constitute earnings before interest, taxation, depreciation and amortisation (EBITDA).

Prior year includes impairments of R24.5 million relating to the private equity and property portfolio and an impairment of R222.5 million on the loan previously advanced to set up the Richards Bay black empowerment structure.

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Consolidated	
	2023 R000	2022 R000
Profit for the year	**1 059 753**	654 865
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**436 655**	266 083
Items that will not be reclassified subsequently to profit or loss		
Actuarial losses*	**(5 229)**	(1 382)
Fair value (loss)/gain arising on financial instruments*	**(1 234)**	403
Total comprehensive income for the year	**1 489 945**	919 969
Total comprehensive income attributable to:		
Ordinary shareholders	**1 417 267**	866 155
Preference shareholders	**74 378**	56 396
Non-controlling interests	**(1 700)**	(2 582)
	1 489 945	919 969

* Net of taxation. Refer to note 8 for taxation effects.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

		Consolidated	
	Notes	2023 R000	2022 R000
OPERATING ACTIVITIES			
Cash generated from operations	32.1	**1 150 245**	1 687 748
Interest received		**201 022**	87 187
Interest paid		**(219 967)**	(210 074)
Dividends received		**215 955**	373 232
Dividends paid		**(446 361)**	(673 454)
Taxation paid	32.2	**(468 017)**	(253 610)
		432 877	1 011 029
Other operating cash flows from Private Equity and Bank			
Net advances (to)/from customers		**(2 388)**	240 370
Net liquid assets and negotiable securities		**–**	(1 313 798)
Net deposits received from customers		**–**	586 192
Net cash flows from operating activities		**430 489**	523 793
INVESTING ACTIVITIES			
Property, terminals, machinery, ship, vehicles and equipment acquired	32.3	**(700 227)**	(564 290)
Acquisition of other investments		**–**	(12 443)
Disposal of other investments		**24 676**	175 766
Acquisition of joint ventures and other investments	32.4	**(9 227)**	(32 800)
Disposal of businesses	32.5	**(5 833)**	294 554
Acquisition of businesses	32.6	**(33 186)**	–
Disposal of joint ventures		**–**	24 978
Proceeds on disposal of property, terminals, machinery, ship, vehicles and equipment		**85 529**	123 182
Net cash flows on disposal of non-current assets and liabilities held for sale	14	**272 413**	65 000
Intangible assets acquired		**(1 971)**	(13 687)
Proceeds on disposal of intangible assets		**–**	550
Acquisition of money market funds		**(405 617)**	–
Funds repaid by joint ventures and associate companies		**–**	21 607
Net cash flows from investing activities		**(773 443)**	82 417

STATEMENT OF CASH FLOWS continued
for the year ended 31 December 2023

	Notes	Consolidated 2023 R000	2022 R000
FINANCING ACTIVITIES			
Acquisition of treasury shares		**–**	(715)
Long-term interest-bearing debt raised	32.7	**988 090**	1 190 372
Long-term interest-bearing debt repaid	32.7	**(1 068 253)**	(1 088 053)
Short-term interest-bearing debt repaid	32.7	**(220 189)**	(241 146)
Short-term interest-bearing debt raised	32.7	**215 972**	175 480
Net cash flows from financing activities		**(84 380)**	35 938
Net (decrease)/increase in cash and cash equivalents		**(427 334)**	642 148
Cash and cash equivalents at beginning of the year		**2 194 553**	1 518 020
Difference arising on foreign currency translation		**72 411**	34 385
Cash and cash equivalents at end of the year*^	**32.8**	**1 839 630**	2 194 553

* Cash and cash equivalents comprise the net of bank and cash balances of R2.1 billion (2022: R2.6 billion) and the overdraft balance of R266.3 million (2022: R411.0 million). Refer to note 6 in accounting policies.

^ The year end cash and cash equivalents and Money Market funds of R2.5 billion (2022: R2.6 billion) are the total funds available to the Group in the short term.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Consolidated 2023 R000	2022 R000
Ordinary and preference share capital and share premium	**3 936 323**	3 934 557
Balance at beginning of the year	**3 934 557**	3 928 711
Share options vested	**1 766**	6 561
Treasury shares acquired	**–**	(715)
Equity compensation reserve	**40 338**	39 075
Balance at beginning of the year	**39 075**	43 597
Share-based payments	**3 029**	2 039
Share options vested	**(1 766)**	(6 561)
Foreign currency translation reserve	**2 644 622**	2 196 770
Balance at beginning of the year	**2 196 770**	1 927 156
Foreign currency translation realised	**6 549**	–
Foreign currency translation adjustments	**441 303**	269 614
Other non-distributable reserves	**(77 549)**	(72 200)
Balance at beginning of the year	**(72 200)**	(85 206)
Foreign currency translation adjustments	**(5 349)**	(3 561)
Net business combination	**–**	(27 140)
Disposal of business	**–**	43 707
Movement in accumulated profit	**3 387 863**	2 785 174
Balance at beginning of the year	**2 785 174**	2 808 394
Other comprehensive (loss)/income from financial instruments	**(1 234)**	403
Actuarial losses recognised	**(5 229)**	(1 382)
Profit for the year	**1 062 154**	657 477
Ordinary dividends declared	**(378 624)**	(623 322)
Preference dividends declared*	**(74 378)**	(56 396)
Total interest of shareholders of the Company	**9 931 597**	8 883 376
Equity attributable to non-controlling interests of the Company	**(53 500)**	(61 914)
Balance at beginning of the year	**(61 914)**	(44 704)
Foreign currency translation adjustments	**701**	30
Non-controlling interest acquired	**4 547**	27 140
Non-controlling interest disposed	**6 408**	(40 844)
Loss for the year	**(2 401)**	(2 612)
Ordinary dividends declared	**(841)**	(924)
Total equity attributable to all shareholders of the Company	**9 878 097**	8 821 462

* Preference dividends paid relate to cumulative, non-redeemable, non-participating and non-convertible preference shares declared and are based on 88% of the prime interest rate.

STATEMENT OF CHANGES IN EQUITY continued

for the year ended 31 December 2023

		Consolidated	
		2023 R000	2022 R000
Ordinary Dividends			
Dividends per share	(cents)	**72.4**	39.4
Interim	(cents)	**34.4**	17.2
Final	(cents)	**38.0**	22.2
Dividends per share – Special	(cents)	**–**	55.9
Preference Dividends			
Dividends per share – interim	(cents)	**483.0**	337.0
Dividends per share – final	(cents)	**521.0**	421.0

SEGMENTAL ANALYSIS

for the year ended 31 December 2023

The Ports and Terminals segment provides bulk handling of commodities to major role-players in the industry together with managing and handling port activities in South Africa and Mozambique.

The Logistics segment is involved in providing holistic and complete freight services, from the handling and storage of containers, clearing and forwarding to road, rail and seaborne freight.

The Group segment consist of the head office companies including property companies with external revenue comprising rental income, management fee income and commodity export sales.

The Private Equity and Property segment consists investments in private and property equity portfolios and loans provided to KwaZulu-Natal North Coast property companies.

The Marine Fuels segment is primarily a supplier of marine fuels, bunkers and agricultural commodities worldwide.

The Financial services business (Bank segment) was disposed of in the prior year.

Segment accounting policies are consistent with those adopted for the preparation of Grindrod's consolidated and separate Annual Financial Statements, with the exception of joint ventures which have been included on a proportionate share basis using the effective shareholdings.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the Grindrod Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

For financial statements presentation purposes, these individual operating segments have been aggregated into a primary or reportable segments taking into account the following factors:

- these primary segments offer integrated services;
- the nature of the services are similar; and
- these primary segments have similar long-term gross profit margins.

Segment assets include all operating assets used by a segment, and consist principally of property, terminals, vehicles and equipment, as well as current assets.

Segment liabilities include all operating liabilities.

These assets and liabilities are all directly attributable to the segments.

All segment revenue, expenses, assets and liabilities are directly attributable to the segments. Internal segment revenue between Grindrod segments are at arm's-length. All intersegment transactions are eliminated on consolidation.

Re-presentation of segments

Following onboarding of the new Grindrod Terminals CEO and implementation of the Grindrod/Maersk transaction during the year, the composition of the segments was revised in line with areas of responsibility. Grindrod's value added services business, which is Grindrod's profit participation initiative, now forms part of the Group segment (it was previously part of the Port and Terminals segment). In addition, Grindrod's Multi-Purpose Terminal ("GMPT") is a bulk, break-bulk and container operation which now forms part of the Port and Terminals segment (previously the Logistics segment). GMPT did not form part of the transaction between Grindrod and Maersk. Accordingly, the prior year has been re-presented.

SEGMENTAL ANALYSIS continued

for the year ended 31 December 2023

Business segments	Ports and Terminals 2023 R000	Ports and Terminals Re-presented 2022 R000	Logistics 2023 R000	Logistics Re-presented 2022 R000	Group 2023 R000	Group Re-presented 2022 R000	Total Core Operations 2023 R000	Total Core Operations Re-presented 2022 R000
Revenue – External	**3 070 277**	2 589 669	**3 727 595**	3 271 633	**692 604**	1 543 518	**7 490 476**	7 404 820
Revenue – Internal	**2 588**	7 577	**87 425**	275 887	**334 690**	332 975	**424 703**	616 439
Trading profit/(loss) after expected credit losses and before depreciation and amortisation	**1 335 904**	1 037 903	**1 173 608**	1 245 372	**3 395**	*(109 506)	**2 512 907**	2 173 769
Depreciation and amortisation	**(294 325)**	(188 165)	**(430 394)**	(412 559)	**(39 422)**	(43 248)	**(764 141)**	(643 972)
Profit/(loss) before non-trading items and share of associate earnings	**1 041 579**	849 738	**743 214**	832 813	**(36 027)**	(152 754)	**1 748 766**	1 529 797
Non-trading items	**(154 979)**	(5 223)	**141 857**	15 260	**(3 744)**	44 383	**(16 866)**	54 420
Share of associate companies' profit after taxation	**252 560**	161 510	**2 824**	1 017	**–**	–	**255 384**	162 527
Segment result excluding net interest and taxation	**1 139 160**	1 006 025	**887 895**	849 090	**(39 771)**	(108 371)	**1 987 284**	1 746 744
Interest income	**10 721**	7 702	**37 925**	43 426	**177 981**	90 601	**226 627**	141 729
Interest expense	**(36 272)**	(47 584)	**(113 899)**	(88 577)	**(170 072)**	(123 976)	**(320 243)**	(260 137)
Taxation	**(325 484)**	(274 473)	**(189 951)**	(205 483)	**(8 269)**	(39 471)	**(523 704)**	(519 427)
Profit/(loss) for the year	**788 125**	691 670	**621 970**	598 456	**(40 131)**	(181 217)	**1 369 964**	1 108 909
Non-controlling interest	**(2 976)**	–	**(6 674)**	2 180	**1 739**	–	**(7 911)**	2 180
Profit/(loss) attributable to shareholders	**785 149**	691 670	**615 296**	600 636	**(38 392)**	(181 217)	**1 362 053**	1 111 089
Preference dividends	**–**	–	**–**	–	**(27 682)**	(21 177)	**(27 682)**	(21 177)
Profit/(loss) attributable to ordinary shareholders	**785 149**	691 670	**615 296**	600 636	**(66 074)**	(202 394)	**1 334 371**	1 089 912
Capital expenditure	**372 100**	308 936	**719 100**	443 257	**15 400**	12 562	**1 106 600**	764 755
Total segment assets	**5 242 262**	4 470 066	**5 511 262**	4 763 887	**4 393 683**	4 364 537	**15 147 207**	13 598 490
Segment assets excluding investments in associates	**4 113 517**	3 562 178	**5 505 332**	4 759 041	**4 393 683**	4 364 537	**14 012 532**	12 685 756
Investments in associates	**1 128 745**	907 888	**5 930**	4 846	**–**	–	**1 134 675**	912 734
Segment liabilities	**(1 633 737)**	(1 723 791)	**(3 156 538)**	(2 714 384)	**(2 124 554)**	(2 233 794)	**(6 914 829)**	(6 671 969)

* Included in trading profit/(loss) after expected credit losses and before depreciation and amortisation, for the prior year, is expected credit losses of R222.5 million in the Group segment.

SEGMENTAL ANALYSIS continued

for the year ended 31 December 2023

Business segments	Private Equity and Property 2023 R000	Private Equity and Property 2022 R000	Marine Fuels 2023 R000	Marine Fuels 2022 R000	2023 Total segment R000	2023 Adjustments R000	2023 Total R000	2022 Total segment R000	2022 Discontinued operations R000	2022 Adjustments R000	2022 Total R000
Revenue – External	**372**	399	**16 042 942**	16 954 683	**23 533 790**	**(18 688 218)**	**4 845 572**	24 359 902	–	(18 476 167)	5 883 735
Revenue – Internal	**–**	–	**–**	25 397	**424 703**	**(424 703)**	**–**	641 836	–	(641 836)	–
Trading (loss)/profit before depreciation and amortisation	**(364 529)**	(359 232)	**47 621**	102 148	**2 195 999**	**(1 272 974)**	**923 025**	1 916 685	–	(811 534)	1 105 151
Depreciation and amortisation	**–**	–	**(680)**	(876)	**(764 821)**	**373 190**	**(391 631)**	(644 848)	–	158 510	(486 338)
(Loss)/profit before non-trading items and share of associate earnings	**(364 529)**	(359 232)	**46 941**	101 272	**1 431 178**	**(899 784)**	**531 394**	1 271 837	–	(653 024)	618 813
Non-trading items	**–**	–	**–**	–	**(16 866)**	**1 691**	**(15 175)**	54 420	–	6 582	61 002
Share of joint venture companies' profit after taxation	**–**	–	**–**	–	**–**	**805 237**	**805 237**	–	–	543 041	543 041
Share of associate companies' profit after taxation	**–**	–	**–**	–	**255 384**	**(236 156)**	**19 228**	162 527	–	(130 964)	31 563
Segment result excluding net interest and taxation	**(364 529)**	(359 232)	**46 941**	101 272	**1 669 696**	**(329 012)**	**1 340 684**	1 488 784	–	(234 365)	1 254 419
Interest income	**35 385**	26 341	**11 839**	577	**273 851**	**(33 209)**	**240 642**	168 647	–	(27 160)	141 487
Interest expense	**(22 450)**	(32 689)	**(997)**	(1 235)	**(343 690)**	**123 723**	**(219 967)**	(294 061)	–	76 037	(218 024)
Taxation	**(11 057)**	(1 008)	**(4 310)**	(13 193)	**(539 071)**	**237 465**	**(301 606)**	(533 628)	–	185 764	(347 864)
(Loss)/profit for the year	**(362 651)**	(366 588)	**53 473**	87 421	**1 060 786**	**(1 033)**	**1 059 753**	829 742	–	276	830 018
(Loss)/profit after taxation from discontinued operations	**–**	–	**–**	–	**–**	**–**	**–**	–	(175 153)	–	(175 153)
Non-controlling interest	**9 279**	708	**–**	–	**1 368**	**1 033**	**2 401**	2 888	–	(276)	2 612
(Loss)/profit attributable to shareholders	**(353 372)**	(365 880)	**53 473**	87 421	**1 062 154**	**–**	**1 062 154**	832 630	(175 153)	–	657 477
Preference dividends	**(46 696)**	(35 219)	**–**	–	**(74 378)**	**–**	**(74 378)**	(56 396)	–	–	(56 396)
(Loss)/profit attributable to ordinary shareholders	**(400 068)**	(401 099)	**53 473**	87 421	**987 776**	**–**	**987 776**	776 234	(175 153)	–	601 081
Capital expenditure	**–**	–	**–**	–	**1 106 600**	**–**	**1 106 600**	764 755	1 794	–	766 549
Total segment assets	**1 329 627**	1 626 267	**2 319 456**	1 921 864	**18 796 290**	**(4 224 218)**	**14 572 072**	17 146 621	–	(3 317 123)	13 829 498
Segment assets excluding investments in associates	**1 329 627**	1 626 267	**2 319 456**	1 921 864	**17 661 615**	**(3 310 928)**	**14 350 687**	16 233 887	–	(2 591 979)	13 641 908
Investments in associates	**–**	–	**–**	–	**1 134 675**	**(913 290)**	**221 385**	912 734	–	(725 144)	187 590
Segment liabilities	**(407 978)**	(345 791)	**(1 595 395)**	(1 307 393)	**(8 918 202)**	**4 224 227**	**(4 693 975)**	(8 325 153)	–	3 317 117	(5 008 036)

Included in revenue arising from the Marine Fuels segment is revenue of R2.7 billion (2022: R2.5 billion) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue in either 2023 or 2022.

SEGMENTAL ANALYSIS continued
for the year ended 31 December 2023

The Group's four divisions operate in eight principal geographical areas – North America, South America, the Middle East, United Kingdom/Europe/Isle of Man, Singapore/Asia/Far East, Australia, South Africa and Rest of Africa.

	North America		South America		Middle East		United Kingdom/Europe/ Isle of Man	
Geographic segments	**2023 R000**	2022 R000	**2023 R000**	2022 R000	**2023 R000**	2022 R000	**2023 R000**	2022 R000
Revenue – External	**89 220**	137 094	**–**	–	**7 360 250**	7 711 245	**–**	–
Profit/(loss) attributable to ordinary shareholders	**9 399**	862	**6 555**	(16)	**101 355**	81 253	**(872)**	31 067
Capital expenditure	**–**	–	**–**	–	**4**	–	**–**	–
Segment assets	**17 373**	15 894	**500**	457	**1 864 738**	1 169 382	**239 013**	191 614

	Singapore/Asia/Far East		Australia		South Africa		Rest of Africa		Total Group	
Geographic segments	**2023 R000**	2022 R000	**2023 R000**	2022 R000	**2023 R000**	2022 R000	**2023 R000**	2022 R000	**2023 R000**	2022 R000
Revenue – External	**8 702 531**	9 121 379	**56 556**	48 130	**3 211 457**	**3 178 287**	**4 113 776**	4 163 767	**23 533 790**	24 359 902
Profit/(loss) attributable to ordinary shareholders	**21 970**	40 753	**1 272**	3 862	**(327 704)**	**(463 797)**	**1 175 800**	907 097	**987 776**	601 081
Capital expenditure	**–**	–	**3 642**	–	**537 479**	**525 674**	**565 475**	240 875	**1 106 600**	766 549
Segment assets	**504 050**	781 400	**111 938**	55 258	**8 341 558**	**8 507 480**	**7 717 120**	6 425 136	**18 796 290**	17 146 621

ACCOUNTING POLICIES
for the year ended 31 December 2023

Outlined below are the material accounting policies that are applicable to the consolidated and separate Annual Financial Statements. However, policies applicable to certain specific accounting items have been included in the applicable detailed notes to the Annual Financial Statements for ease of reference.

1. BASIS OF PREPARATION

1.1 Accounting framework

The consolidated and separate Annual Financial Statements of Grindrod comply with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncement as issued by the Financial Reporting Standards Council using the historical cost basis except for certain financial instruments and investment properties that are reported at fair value. The Annual Financial Statements of Grindrod also comply with the Listing Requirements of the JSE Limited and the requirements of the Companies Act.

The preparation of consolidated and separate Annual Financial Statements in conformity with IFRS requires the board of directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the actual outcome may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting judgments are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made in the application of IFRS that have influenced the financial statements and estimates with a risk of adjustment in the next year are discussed in the "Judgments made by management and key sources of estimation uncertainty" on page 20.

Except as detailed below, the accounting policies have been applied consistently to all periods presented in these consolidated and separate financial statements. The consolidated and separate financial statements are presented in South African Rands, which is the Group's reporting currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

The basis of preparation, accounting policies and methods of computation are consistent with the prior year, except for new and revised IFRSs and interpretations adopted per point 7 of this note and investment property as set out in note 3.

1.2 Underlying concepts

The consolidated and separate Annual Financial Statements are prepared on the going concern basis using accrual accounting.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the IFRSs. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, or the impact thereof is not material, in which case they are applied prospectively.

1.3 Foreign currencies

The functional currency of each entity is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange ruling on the date of the transaction.

Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains and losses arising on exchange differences are recognised in profit or loss in the period in which they arise. This excludes exchange differences on monetary items receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur.

The Annual Financial Statements of Grindrod's entities whose functional currencies differ to Grindrod's presentation currency, which is the South African Rand, are translated as follows:

- assets and liabilities at exchange rates prevailing on the statement of financial position date;
- income, expense and cash flow items at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the material transactions are used; and
- equity items at the exchange rate prevailing on the date they arose.

Resulting exchange differences are recognised in other comprehensive income and accumulated in equity.

On disposal of such a business unit, this reserve is recognised in profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interest in associates or jointly-controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

1.4 Comparative figures

Comparative figures are restated in the event of a material change in accounting policy or a material prior period error or when required by IFRS or where restatement results in a more meaningful comparison to current year figures.

2. SEPARATE ANNUAL FINANCIAL STATEMENTS

2.1 Subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate Annual Financial Statements presented by Grindrod are recognised at cost less impairments.

3. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

3.1 Interest in subsidiaries

A subsidiary is an entity over which the parent exercises control. Subsidiaries are consolidated into Grindrod Group results.

Grindrod reassesses whether it controls its investee entities at each reporting date or where facts and circumstances indicate that there are changes to control.

The results of subsidiaries are consolidated from the date on which control was obtained.

Profit or loss and each component of other comprehensive income are attributed to the owners of Grindrod and its non-controlling interests.

Where necessary, adjustments are made to the Annual Financial Statements of subsidiaries to bring the accounting policies used in line with those used by the Grindrod Group.

All material intercompany balances and transactions are eliminated. Foreign currency translation reserves are not reversed against the carrying amount of the respective asset relating to intercompany transactions with entities of differing functional currencies.

Non-controlling interests in the net assets of consolidated subsidiaries are shown separately from the Grindrod Group equity. On acquisition, the non-controlling interests that relate to present ownership and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Non-controlling interests are considered to be equity participants and all transactions with non-controlling interests are recorded directly within equity.

Changes in Grindrod's ownership interests in its subsidiaries that do not result in Grindrod losing control over the subsidiaries are accounted for as equity transactions.

3.2 Business combinations

Grindrod accounts for acquisitions of businesses using the acquisition method. Under this method Grindrod measures the fair value of the tangible and intangible assets and liabilities of the acquiree, non-controlling interest in the acquiree and the fair value of the consideration paid at acquisition date. Where the consideration is cash, the fair value is the actual amount paid. Either goodwill or a gain on bargain purchase (or negative goodwill) will arise. Grindrod accounts for a gain on bargain purchase in the income statement on the date of acquisition. Acquisition related costs are recognised in profit and loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, Grindrod reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Grindrod accounts for a partial disposal of an investment by transferring, from reserves, the proportionate business combination reserves directly to retained income.

Upon loss of control of a subsidiary, Grindrod derecognises the assets and liabilities of the subsidiary in full and measures any investment retained in the former subsidiary at its fair value. A remeasurement gain or loss, that forms part of the total gain or loss on the disposal of the subsidiary, is recognised in profit or loss.

4. STATEMENT OF FINANCIAL POSITION

4.1 Inventories

Inventories which include rail spare parts and components, spare parts and consumables for equipment used at the terminals, onsite fuel, bunker fuels and general consumable stores are valued at the lower of cost and net realisable value. The method used to value the inventory is weighted average cost. The costs of inventories include costs incurred in bringing the inventories to their present location.

Any write-downs of inventories to net realisable value and all losses of inventories or reversals of previous write downs or losses are recognised in the period the write-down, loss or reversal occurs.

4.2 Financial instruments

On initial recognition, Grindrod measures its financial assets and financial liabilities at fair value. Transaction costs and fees that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities at fair value through profit and loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

All recognised financial assets are subsequently measured at amortised cost or fair value based on Grindrod's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets that are held within a business model whose objective is to collect the contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost. All other financial assets are subsequently measured at FVTPL.

If the business model under which the Group holds financial assets changes, the affected financial assets are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets.

Financial assets

Loans and advances

Initial measurement

Loans and advances are recognised at the transaction price as this represents the fair value at origination of the loan.

Subsequent measurement

Where loans meet the solely payments of principle and interest test ("SPPI") they are classified as held at amortised cost and where they fail the SPPI test they are classified as held at FVTPL.

Derecognition

Loans and advances are only derecognised when the balance is repaid or renegotiated or if an advance is written off or disposed of as there is no longer a right to contractual cash flows.

Modification

The Group is sometimes required to modify the terms of advances provided. The risk of default of such advances after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition. When the modification is not substantial it does not result in derecognition of the original asset.

4. STATEMENT OF FINANCIAL POSITION CONTINUED

4.2 Financial instruments continued

Expected credit loss (ECL)

A financial asset that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group. If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired (unless an event of default has occurred).

If the financial asset is credit-impaired, it is then moved to Stage 3. The financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence of credit-impairment includes observable data that typically indicates one or more of the following:

- acts of insolvency (liquidation/business rescue proceedings);
- significant financial difficulty of the debtor or borrower; and/or
- a default event, which typically includes non-repayment according to contract terms.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Financial assets in Stages 2 or 3 have their ECL measured based on expected credit losses that result from default events that may arise on a remaining lifetime basis.

The Group measures the credit risk of financial assets using assumptions with regards to Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) on an individual loan by loan basis or each financial asset as applicable.

Trade and other receivables

Initial measurement

Trade and other receivables are recognised at the transaction price as this represents the fair value. There is no significant financing component given the receivables are short-term in nature and thus the transaction price does not differ significantly from the fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Refer to notes 12 and 35 further details for ECL.

Subsequent measurement

Trade and other receivables are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Initial measurement

Cash and cash equivalents consisted of funds held with the South African Reserve Bank (SARB) and also consist of funds held with other South African banks and financial institutions and are recognised at transaction price as this represents the fair value.

Subsequent measurement

Cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

Financial liabilities

Long-term liabilities

Initial measurement

Long-term liabilities are recognised at the transaction price, which is representative of the fair value of this financial liability.

Subsequent measurement

Long-term liabilities are classified and measured at amortised cost.

Trade and other payables

Initial measurement

Trade and other payables are recorded at transaction value being fair value.

Subsequent measurement

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

Financial guarantees

The Group will continue to account for these contracts in accordance with IFRS 9: Financial Instruments as permitted by IFRS 17.

4.3 Non-current Assets Held for Sale and Discontinued Operations (NCAHFS)

Grindrod presents the results of a separate major line of business, separately, in the income statement when it is classified as a discontinued operation. In addition assets and liabilities are classified and reported as NCAHFS and liabilities associated with NCAHFS in the statement of financial position.

The carrying value of NCAHFS is measured at fair value less cost to sell at each reporting period. Any resulting adjustment to the carrying value is recognised in the income statement of the discontinued operation. Grindrod only classifies assets as NCAHFS when a decision to dispose of the asset has been made by the Board, there is an active programme to locate a buyer and when the certainty of disposal is highly probable and likely to conclude within one year from the date of classification.

5. INCOME STATEMENT

Impairment of assets

At each reporting date the carrying amount of tangible and intangible assets is assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. 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. The recoverable amount is the higher of the fair value less costs to sell or the value in use. The value in use included in the calculation of the recoverable amount, is estimated by taking into account future cash flows, forecast market conditions and the expected lives of the assets.

Goodwill and the cash-generating units to which these assets have been allocated, are tested for impairment annually even if there is no indication of impairment. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the business combination at inception of the business combination. Impairment losses recognised on goodwill are not subsequently reversed. The attributable amount of goodwill is included in the profit or loss on disposal when the related business is sold.

5. INCOME STATEMENT CONTINUED

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. The impairment loss is first allocated to reduce the carrying amount of goodwill and then to the other assets of the cash-generating unit. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses on financial assets as well as trade and other receivables are determined based on specific and objective evidence that assets are impaired and are measured as the difference between the carrying amount of the assets and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are recognised in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

6. CASH FLOW

Treatment of interest, dividends and receipts from finance lease receivables

The Group has elected to classify interest received and interest paid (including interest on lease liabilities and interest arising from revenue contracts, if there is any) as cash flows from operating activities. Dividends paid have been classified as operating as this indicates the Group's ability to pay dividends out of operating cash flows. Receipts from finance lease receivables have been classified as operating cash flows as entering in such leasing arrangements are in the ordinary course of business.

Treatment of bank overdraft

Bank overdraft has been included as a component of cash and cash equivalents that is repayable on demand and forms an integral part of the Group's cash management facility.

7. NEW STANDARDS AND INTERPRETATIONS

7.1 New and revised IFRSs applied with no material effect on the consolidated and separate Annual Financial Statements

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

IFRS 17 Insurance Contracts	On 18 May 2017, the IASB issued amendments to IFRS 17 which establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The amendments were effective for annual periods beginning 1 January 2023. In addition on 25 June 2020, the IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments were effective for annual periods beginning on or after 1 January 2023. After completing a detailed impact analysis, the Group determined that there were no material impacts arising from the adoption of IFRS 17. With respect to financial guarantees, the Group will continue to account for these contracts in accordance with IFRS 9: Financial Instruments as per its existing policy, and as permitted by IFRS 17.
IAS 1 Presentation of Financial Statements	On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-current' and 'Disclosure of Accounting Policies' amendments to IAS 1. Classification of Liabilities as Current or Non-current provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Disclosure of Accounting Policies amendments requires the disclosure of material accounting policy information rather than the significant accounting policies. These amendments were effective for annual periods beginning on or after 1 January 2023. There was no significant impact on the consolidated financial statements.
IAS 8 Amendments on accounting estimates	On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments were effective for annual periods beginning on or after 1 January 2023. There was no significant impact on the consolidated financial statements.
IAS 12 Amendments to Deferred Tax related to assets and liabilities arising from a single transaction	On 7 May 2021, the IASB has amended IAS 12, 'Income taxes', to require the recognition of deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments were effective for annual periods beginning on or after 1 January 2023. There was no significant impact on the consolidated financial statements.

7.2 New and revised IFRSs in issue but not yet effective

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The effective date is deferred by the IASB pending the outcome of its research project on the equity method of accounting. Grindrod's policy when there is loss of control of a subsidiary and an investment is retained in the former subsidiary via a joint venture or associate is to recognise profit or loss on disposal of the subsidiary, only to the extent of the unrelated interest in the joint venture or associate.
Amendments to IAS 1, Presentation of financial statements' on non-current liabilities with covenants (effective 1 January 2024)	In October 2022, the International Accounting Standards Board (IASB) issued Non-current Liabilities with Covenants, which amended IAS 1 Presentation of Financial Statements. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also responded to stakeholders' concerns about the classification of such a liability as current or non-current. In addition the amendments require the entity to disclose all covenants which will affect the classification of the non-current liabilities with covenants in future periods. The amendments are effective for annual periods beginning on or after 1 January 2024. The directors of the company do not anticipate that the application of these amendments will have a significant impact on the consolidated financial statements.
Amendment to IAS21 – lack of exchangeability	In August 2023, the IASB amended IAS 21 to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. The amendments are effective for annual periods beginning on or after 1 January 2025. The directors of the company do not anticipate that the application of these amendments will have a significant impact on the consolidated financial statements.

1. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing Grindrod's Annual Financial Statements in compliance with IFRS, estimation uncertainty existed and critical judgements were required in applying Grindrod's accounting policies.

Certain critical accounting policies and key sources of estimation uncertainty identified as involving particularly complex or subjective judgements or assessments in Grindrod's Annual Financial Statements are outlined below.

Property, plant and equipment

The degree of judgement and estimation is required when assessing residual values and useful lives of the property, plant and equipment. Residual values of these assets are reviewed annually after considering future market conditions, the remaining life of the asset and projected disposal values. The estimation of the useful lives is based on historic performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets. Properties accounted for as own use assets are held at cost less depreciation. Where market indicators reflect that these properties could realise more than their carrying values if disposed of, the depreciation is halted. Details on the property, plant and equipment is provided for in note 2.

Investment in joint ventures

Management assesses contractual agreements in terms of IFRS 11 Joint Arrangements, in determining the classification of its joint arrangements. Under contractual agreements, where neither party has the right to unilaterally control the Company and unanimous consent is required for all decisions made with regards to the relevant activities of the Company, such entities are classified as joint ventures. The determination will include the voting rights and limits of authority as detailed in agreements. This has resulted in circumstances where the entities are classified as joint ventures when the ownership is below or exceeds 50%. Significant operations where Grindrod holds a majority of the shares but the entities are jointly managed are Terminal De Carvao da Matola Limitada and New Limpopo Bridge Projects Limited.

Refer to note 5 for a list of significant joint arrangements.

Fair value of loans and advances and private equity portfolio

Some of Grindrod's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, Grindrod uses market-observable data to the extent it is available. Where Level 1 inputs, as defined by the fair value hierarchy in IFRS 13 Fair Value Measurement, are not available, Grindrod engages third party qualified valuers to perform valuations. Where there is no observable data, Level 3 inputs, management will make assumptions based on their knowledge, experience, prevailing economic variables and other factors in carrying out fair value measurements in terms of IFRS 13 Fair Value Measurements.

Individually significant carrying values that were classified as Level 3 valuations were loans and advances secured by the borrowers' North Coast properties, Blythedale and Addington. The assessment of the adequacy of these properties as security was performed using independently prepared specialist valuations. The valuations were performed using the market approach (also referred to as the sales comparison approach or direct comparison approach). This approach is based on comparing the subject asset with identical or similar assets for which price information is available (such as a comparison with market transactions in the same, or closely similar, type of asset). These valuations together with the Group's mortgage bonds were inputs into a Monte Carlo simulation to determine an independent valuation range. There is also a profit share arrangement which is determined at an agreed rate of 30% of the surplus on disposal of the Addington property and 35% of the surplus on disposal of the Blythedale property. The recorded fair value falls within an acceptable range of possible values.

In addition, on disposal of Grindrod Bank, a similar process was adopted to determining the fair value of the warranty of specific loans and advances. Refer to note 18.

Additional information about the valuation and key inputs used in determining the fair value of the various assets and liabilities are disclosed in note 35.

Expected credit losses on loans and advances

Significant judgement is required in assessing the impairment on loans and advances in terms of the requirements of IFRS 9 Financial Instruments relating to expected credit loss (ECL). The significant judgements applied by Grindrod in determining the impairment include the expected realisable value of the collateral securing the advance, the probability that an advance will default (Probability of Default (PD)), credit risk changes (Significant Increase in Credit Risk (SICR)), the size of credit exposures (Exposure at Default (EAD)), and the expected loss on default (Loss Given Default (LGD)) using the three-stage model.

Refer to note 7, note 10 and note 35 for more detail on ECL.

Short-term and long-term disclosure of loans and advances

When determining the classification of loans and advances as long-term or short-term, the contractual maturity of the loans and advances is used. However, the contractual maturity default principle is overruled in line with IAS 1 Presentation of Financial Statements paragraph 66 when management has the expectation that an asset will not be realised in the short-term, in which case this will be classified as long-term.

Property loans and advances of R1 014.3 million (2022: Rnil million) with mainly short-term contractual maturity profiles have been disclosed as long-term based on the North Coast properties owners' proposed development plans which indicate that the projects will only realise cash to settle the advances in the long-term.

2. PROPERTY, TERMINALS, MACHINERY, SHIP, VEHICLES AND EQUIPMENT

Property, terminals, machinery, ship, vehicles and equipment are reflected at cost and are depreciated over their estimated useful lives to estimated residual values, on the straight-line basis as follows:

Terminals, machinery and equipment	5 – 20 years
Information technology equipment	3 – 5 years
Locomotives	12 – 22 years
Ship	5 – 15 years
Vehicles	5 – 10 years
Freehold and leasehold properties	25 – 50 years

Depreciation commences when the assets are available for their intended use. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

Locomotives that are held for rental are initially classified as Terminals, machinery, ship, vehicles and equipment. When these assets cease to be rented and a decision is made to sell these assets, the carrying amount is transferred to current assets (inventories) as 'held for sale'. Upon sale of the 'held for sale' assets, the sales value is recorded in gross revenue and the related carrying value of these assets recorded in cost of sales.

Freehold land is reflected at cost and not depreciated. Buildings are reflected at cost and depreciated to estimated residual value over their useful life to the Group, currently estimated at 50 years from the date of acquisition. Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Expenditure capitalised to leasehold properties is depreciated over the period of the lease.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Lease modifications comprise remeasurements in the right-of-use assets for variable linked leases as well as other changes in lease terms.

Where the estimated residual value of assets classified as property, terminals, machinery, ship, vehicles and equipment exceeds the carrying value, depreciation is ceased.

An item of property, terminals, machinery, ship, vehicles and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, terminals, machinery, vehicles and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Ship cost comprise acquisition costs and costs directly related to the acquisition up until the time when the asset is ready for use. From time to time the ship is required to be dry-docked for inspection and re-licensing, at which time major repairs and maintenance that cannot be performed while the ship is in operation is generally performed. The Group capitalises the costs associated with dry-docking as they occur by adding them to the cost of the vessel and amortises these costs on the straight-line basis over 5 years, which is generally the period until the next scheduled dry-docking. At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the next scheduled dry-docking of the vessel under the ownership of the Group, and this component is depreciated on the straight-line basis over the remaining period to the estimated dry-docking date.

Borrowing costs

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

	Cost/ valuation 2023 R000	Cost/ valuation 2022* R000	Accumulated depreciation and impairment 2023 R000	Accumulated depreciation and impairment 2022* R000	Carrying value 2023 R000	Carrying value 2022 R000
Freehold and leasehold properties						
Opening balance	**1 677 745**	1 615 658	**(436 336)**	(425 930)	**1 241 409**	1 189 728
Translation gain/(loss)	**48 533**	36 557	**(18 298)**	(11 161)	**30 235**	25 396
Reclassification	**12 271**	(28 056)	**(3 734)**	7 937	**8 537**	(20 119)
Reclassification to investment property**	**(669 857)**	–	**131 806**	–	**(538 051)**	–
Reversal of impairment/ (impairment)	**–**	–	**3 362**	(5 349)	**3 362**	(5 349)
Additions and improvements	**96 859**	272 954	**–**	–	**96 859**	272 954
Acquisition of businesses	**159 361**	–	**–**	–	**159 361**	–
Disposals	**(41 293)**	(74 520)	**6 019**	19 035	**(35 274)**	(55 485)
Depreciation	**–**	–	**(40 618)**	(50 310)	**(40 618)**	(50 310)
Transferred to non-current assets classified as held for sale (note 14)	**–**	(144 848)	**–**	29 442	**–**	(115 406)
Closing balance	**1 283 619**	1 677 745	**(357 799)**	(436 336)	**925 820**	1 241 409
Assets under construction (AUC)						
Opening balance	**66 412**	39 495	**–**	–	**66 412**	39 495
Translation gain	**5 757**	2 229	**–**	–	**5 757**	2 229
Additions	**93 146**	88 130	**–**	–	**93 146**	88 130
Acquisition of businesses	**3 256**	–	**–**	–	**3 256**	–
Transferred to non-current assets classified as held for sale (note 14)	**–**	(13 152)	**–**	–	**–**	(13 152)
Disposals	**(499)**	(1 853)	**–**	–	**(499)**	(1 853)
Reclassification	**(64 540)**	(48 437)	**–**	–	**(64 540)**	(48 437)
Closing balance	**103 532**	66 412	**–**	–	**103 532**	66 412

* The reconciliation has been disaggregated to present the cost/valuation and accumulated depreciation and impairment separately. This reconciliation was previously represented on the carrying value only.

** In the current year, R538.1 million (2022: R30.5 million) was reclassified to investment property. Refer to note 3.

2. PROPERTY, TERMINALS , MACHINERY, SHIP, VEHICLES AND EQUIPMENT CONTINUED

	Cost/ valuation 2023 R000	Cost/ valuation 2022* R000	Accumulated depreciation and impairment 2023 R000	Accumulated depreciation and impairment 2022* R000	Carrying value 2023 R000	Carrying value 2022 R000
Terminals, machinery, ship, vehicles and equipment						
Opening balance	**1 510 200**	1 784 238	**(1 136 937)**	(1 275 302)	**373 263**	508 936
Translation gain/(loss)	**103 149**	72 357	**(79 463)**	(56 763)	**23 686**	15 594
Reclassification	**31 675**	38 493	**30 325**	(5 298)	**62 000**	33 195
Additions	**413 113**	327 431	**–**	–	**413 113**	327 431
Acquisition of businesses	**58 123**	–	**–**	–	**58 123**	–
Reversal of impairment	**–**	–	**8 040**	15 225	**8 040**	15 225
Disposals	**(173 384)**	(279 607)	**103 929**	87 406	**(69 455)**	(192 201)
Disposal of business	**(596)**	(47 340)	**283**	42 014	**(313)**	(5 326)
Depreciation	**–**	–	**(125 157)**	(132 114)	**(125 157)**	(132 114)
Transferred from/(to) non-current assets classified as held for sale (note 14)	**576**	(385 372)	**(97)**	187 895	**479**	(197 477)
Closing balance	**1 942 856**	1 510 200	**(1 199 077)**	(1 136 937)	**743 779**	373 263
Right-of-use assets						
Opening balance	**1 498 345**	2 225 319	**(861 492)**	(1 170 710)	**636 853**	1 054 609
Translation gain/(loss)	**93 657**	62 751	**(70 950)**	(44 131)	**22 707**	18 620
Reclassification	**731**	(6 814)	**(731)**	5 444	**–**	(1 370)
Acquisition of businesses	**33 088**	–	**–**	–	**33 088**	–
Additions	**134 591**	152 401	**–**	–	**134 591**	152 401
Lease modifications	**121 592**	(11 081)	**–**	–	**121 592**	(11 081)
Disposals	**(359 041)**	(402 793)	**73 312**	355 845	**(285 729)**	(46 948)
Disposal of business	**–**	(45 212)	**–**	41 382	**–**	(3 830)
Depreciation	**–**	–	**(204 457)**	(293 580)	**(204 457)**	(293 580)
Transferred from/(to) non-current assets classified as held for sale (note 14)	**46 658**	(476 226)	**(23 576)**	244 258	**23 082**	(231 968)
Closing balance	**1 569 621**	1 498 345	**(1 087 894)**	(861 492)	**481 727**	636 853
Total	**4 899 628**	4 752 702	**(2 644 770)**	(2 434 765)	**2 254 858**	2 317 937
Property, terminals, machinery, ship, vehicles and equipment and AUC	**3 330 007**	3 254 357	**(1 556 876)**	(1 573 273)	**1 773 131**	1 681 084
Right-of-use assets	**1 569 621**	1 498 345	**(1 087 894)**	(861 492)	**481 727**	636 853

* The reconciliation has been disaggregated to present the cost/valuation and accumulated depreciation and impairment separately. This reconciliation was previously represented on the carrying value only.

Details of the freehold and leasehold properties are recorded in a register available for inspection at the registered office of the Company or its subsidiaries.

Further details on right-of-use assets is disclosed in note 36.

Certain assets are encumbered in respect of capitalised lease and loan liabilities, details of which are shown in note 16.

Impairments/impairment reversals

In the current year, a net impairment reversal of R3.4 million was recorded against freehold land and buildings based on the current valuations and a net impairment reversal of R8.0 million was recognised on locomotives that were disposed in the current year.

In the prior year, an impairment of R5.3 million was processed against freehold and leasehold properties. This was due to flood damage hence the asset was impaired to its fair value less costs to sell. In addition an impairment reversal of R15.2 million was recognised on locomotives that were disposed in the prior year. The increase in the recoverable amount was due to the disposal proceeds being higher than the carrying value.

It is the policy of Grindrod and its subsidiaries to insure their property, terminals, machinery, ship, vehicles and equipment at replacement value, however in certain circumstances asset cover is limited to market value. The sum insured is R5 420.0 million (2022: R5 089.9 million).

3. INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs.

Change in accounting policy

In the past, the Bank, via the Private Equity and Property structures, invested in properties/property related investments to benefit from capital appreciation. With the disposal of Grindrod Bank on 01 November 2022 and the significant wind-down of the Private Equity and Property segment, in line with Grindrod's revised Freight Services strategy, the accounting policy for investment properties was revised. Effective 01 January 2023, the Group has changed its accounting policy for subsequent measurement of investment property from the fair value model to the cost model as this reflects more relevant and understandable information for users of the financial statements. The effect of the change in accounting policy resulted in the reversal of cumulative fair value gains of R6.5 million. The effect of the change was not material and hence recognised in the current year.

Subsequent to initial recognition, investment property is measured in terms of the cost model and is depreciated over estimated useful life to estimated residual values on a straight-line basis as follows:

Freehold and leasehold properties 25 to 50 years

Investment property is tested for impairment where an indicator is identified.

	Cost 2023 R000	Accumulated depreciation and impairment 2023 R000	Carrying value 2023 R000	Carrying value 2022 R000
Investment Property				
Opening balance	**113 252**	**–**	**113 252**	86 168
Reclassification from property, terminals, machinery, ship, vehicles and equipment*	**669 857**	**(131 806)**	**538 051**	30 454
Impairments		**(9 236)**	**(9 236)**	–
Additions and improvements	**35 012**	**–**	**35 012**	–
Disposals	**(418)**	**418**	**–**	(3 687)
Depreciation	**–**	**(2 495)**	**(2 495)**	–
(Reversal of cumulative fair value gains)/fair value gains	**(6 533)**	**–**	**(6 533)**	317
Closing balance	**811 170**	**(143 119)**	**668 051**	113 252

* The reclassification is as a result of property leases externalising due to the joint venture transaction with Maersk.

The fair value of investment property amounted to R898.5 million (2022: R113.3 million) at year end.

Investment property generated rental income of R93.3 million, and direct expenses of R30.1 million were incurred on properties that generate the lease income. Direct expenses of R1.5 million were incurred on currently vacant property.

4. GOODWILL AND INTANGIBLE ASSETS

4.1 Accounting policy

Goodwill represents the future economic benefits arising from acquired assets that are not capable of being individually identified and separately recognised in a business combination and is determined as the excess of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment at least annually. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Intangible assets acquired separately are initially recognised at cost or at fair value if acquired as part of a business combination. If assessed as having an indefinite useful life, they are not amortised but tested for impairment annually and impaired, if necessary. If assessed as having a finite useful life, they are amortised over their useful life using the straight-line basis, and tested for impairment if there is an indication that they may be impaired.

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

4.2 Goodwill

	Carrying value 2023 R000	Carrying value 2022 R000
Opening balance	**302 838**	436 456
Translation gain /(loss)	**1 598**	(34)
Acquisition of businesses (note 32.6)	**138 936**	–
Impairment	**(137 330)**	–
Disposal of businesses (note 32.5)	**(6 926)**	–
Transferred to non-current assets classified as held for sale (note 14)	**–**	(133 584)
Closing balance	**299 116**	302 838

In the current year, goodwill of R125.2 million arose on the acquisition of RBT Grindrod Terminals Proprietary Limited and R13.7 million arose on the acquisition of Zambia Furnace Supplies Limited. This initial accounting of the acquisition of Zambia Furnace Supplies Limited has only been provisionally determined at the end of the reporting period. Refer to note 32.6.

4. GOODWILL AND INTANGIBLE ASSETS CONTINUED

4.2 Goodwill continued

Impairments of goodwill

An impairment of R137.3 million was recognised as at 30 June 2023, relating to the Terminals business in Richards Bay due to significant operational challenges which have impacted future volumes and resultant cash flows. The impairment was based on the value in use determined on a discounted cash flow basis.

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the underlying discreet businesses as they represent separately identifiable CGUs. The following CGUs, being the lowest level CGUs that are viewed separately by the chief operating decision maker, have carrying amounts of goodwill that are considered significant in relation to the Group's total goodwill balance:

	Segment	2023 R000	2022 R000
Terminals*	Port and Terminals	**165**	12 290
Intermodal^	Logistics	**–**	133 584
East Africa^^	Logistics	**13 701**	–
Ships Agencies and Clearing and Forwarding	Logistics	**285 250**	290 548
Transferred to non-current assets classified as held for sale (note 14)		**–**	(133 584)
		299 116	302 838

* Arose from Mozambique Terminals operations.
^ Disposed on 01 January 2023.
^^ Arose from the acquisition of Zambian Furnace Supplies on 31 December 2023.

Impairment testing of goodwill

The recoverable amounts of the cash-generating units were based on their value in use determined using discounted cash flow (DCF) valuation models. The DCF calculation uses cash flow projections based on financial budgets approved by the directors covering a three-year period with an additional two years included based on the expected growth rate of 4.7% (2022: 4.8%), which was also used in the determination of the terminal value. Growth rate is determined using regional forecast consumer price indices.

The key assumptions used by management in determining the cash flows used in the financial budgets for the initial three-year period were as follows:

- Forecast sales growth rates, margins and profits are based on past experience adjusted for market trends.

A pre-tax discount rate of between 18.1% – 20.3% pre-tax (2022: 16.6% – 18.7% pre-tax) per annum is applied as follows:

- Terminals – 18.1% pre-tax (2022: 16.6% pre-tax).
- Ships Agencies and Clearing and Forwarding – 20.3% pre-tax (2022: 18.7% pre-tax).

The discount rates are based on current market assessment of the optimal capital structure, cost of equity and cost of debt. The directors believe that any reasonable change in the key assumptions, on which the recoverable amounts are based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The impact on the net surplus on the discounted cash flow calculations of the material goodwill balances will be impacted as follows:

	Headroom R000	Impact on headroom if: 1% increase in discount rate and 1% decrease in growth rate R000	Impact on headroom if: 1% decrease in discount rate and 1% increase in growth rate R000
2023			
Ships Agencies and Clearing and Forwarding	**594 143**	**(94 542)**	**122 155**
2022			
Ships Agencies and Clearing and Forwarding	258 921	(77 044)	102 518

4.3 Other intangible assets

	Cost/ valuation 2023 R000	Accumulated amortisation and impairment losses 2023 R000	Carrying value 2023 R000	Carrying value 2022 R000
Opening balance	**264 220**	**(210 380)**	**53 840**	71 337
Translation gain/(loss)	**3 232**	**(2 230)**	**1 002**	427
Reclassification (to)/from property, terminals, vehicles and equipment	**(11 646)**	**39**	**(11 607)**	6 278
Acquisition of businesses (note 32.6)	**54 820**	**–**	**54 820**	–
Additions	**1 971**	**–**	**1 971**	13 687
Disposals	**(72 915)**	**72 888**	**(27)**	(550)
Impairment	**–**	**(29 774)**	**(29 774)**	–
Amortisation	**–**	**(18 904)**	**(18 904)**	(23 596)
Transferred to non-current assets classified as held for sale (note 14)	**–**	**–**	**–**	(13 743)
Closing balance	**239 682**	**(188 361)**	**51 321**	53 840
Goodwill and other intangible assets total	**538 798**	**(188 361)**	**350 437**	356 678

Amortisation periods of other intangible assets

Intangible assets consist mainly of leases, software, licences and customer relationships and are written off over periods ranging from 3 (2022: 3) to 25 (2022: 30) years.

Impairments of other intangible assets

An impairment of R26.1 million was recognised as at 30 June 2023 relating to the Terminals business in Richards Bay due to significant operational challenges which have impacted future volumes and resultant cash flows. The impairment was based on the value in use determined on a discounted cash flow basis.

An impairment of R3.7 million was recognised at year end due to the cessation of a license.

5. INVESTMENTS IN JOINT VENTURES

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method of accounting.

The requirements of IFRS 9 Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's loans in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised reduces the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group has joint venture interests in the following companies, which have the same year end as the Group unless otherwise stated:

				Consolidated	
Name of joint venture	Principal activity	Place of incorporation	Segment	2023 Proportion of ownership	2022 Proportion of ownership
Portus Indico-Sociedade de Servicos Portuarios SA	Port operations	United Arab Emirates	Port and Terminals	**48.5%**	48.5%
Maputo Intermodal Container Depot SA	Storage and logistics	Mozambique	Port and Terminals	**50.0%**	50.0%
Terminal De Carvao da Matola Limitada (TCM)	Terminals	Mozambique	Port and Terminals	**65.0%**	65.0%
RBT Grindrod Terminals Proprietary Limited (RBTG)	Terminals	South Africa	Port and Terminals	**–***	59.7%
Röhlig-Grindrod Proprietary Limited	Clearing and forwarding	South Africa	Logistics	**50.0%**	50.0%
New Limpopo Bridge Projects Limited (NLPI)	Rail	Mauritius	Logistics	**74.5%**	74.5%
Grindrod Rail Consultancy Services Proprietary Limited	Rail	South Africa	Logistics	**42.3%**	42.3%
RailCo Africa Limited	Rail	Mauritius	Logistics	**42.3%**	42.3%
Grindways Logistics Limited	Clearing and forwarding	Uganda	Logistics	**50.0%**	50.0%
GPR Leasing SA Proprietary Limited	Rail	South Africa	Logistics	**55.0%**	55.0%
Grindrod Logistics Proprietary Limited	Container landside logistics	South Africa	Logistics	**49.0%****	–
Cockett Marine Oil Pte Limited	Marine fuel and lubricants	Singapore	Marine Fuels	**50.0%**	50.0%
Cockett Marine South Africa Proprietary Limited	Marine fuel and lubricants	South Africa	Marine Fuels	**50.0%**	50.0%
CMOG Fuel DMCC (CMOG)	Marine fuel and lubricants	United Arab Emirates	Marine Fuels	**50.0%**	50.0%

* The remaining shareholding in this joint venture was acquired. Refer to note 32.6.
** This relates to the joint venture with Maersk. Refer to note 14.

Information about the composition of the Group at the end of the reporting period has been included in the key operating segments on page 77.

5. INVESTMENTS IN JOINT VENTURES CONTINUED

Summarised financial information in respect of each of the Group's joint ventures are set out below. The summarised financial information below represents amounts in joint ventures financial statements prepared in accordance with IFRS and adjusted by the Group, when necessary, for equity accounting purposes.

	Port and Terminals		Logistics		Marine Fuels		Total	
	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000
Statement of profit at effective share								
Revenue	**1 225 767**	1 057 319	**1 680 045**	592 749	**16 042 942**	16 980 080	**18 948 754**	18 630 148
Operating income before interest and taxation and after non-trading items and non-controlling interests	**830 582**	519 687	**251 816**	165 798	**46 941**	101 272	**1 129 339**	786 757
Net interest paid	**(28 167)**	(29 065)	**(73 188)**	(30 337)	**10 842**	(658)	**(90 513)**	(60 060)
Taxation	**(182 806)**	(131 916)	**(46 473)**	(38 547)	**(4 310)**	(13 193)	**(233 589)**	(183 656)
Profit for the year	**619 609**	358 706	**132 155**	96 914	**53 473**	87 421	**805 237**	543 041
Statement of financial position at 100%								
Non-current assets	**4 198 085**	3 835 682	**3 117 212**	1 070 457	**85 110**	66 382	**7 400 407**	4 972 521
Current assets (excluding cash)	**616 534**	498 457	**2 124 650**	1 754 943	**4 064 154**	3 026 054	**6 805 338**	5 279 454
Cash and cash equivalents	**575 686**	243 168	**224 079**	260 658	**489 652**	750 948	**1 289 417**	1 254 774
Non-current liabilities	**(855 038)**	(911 697)	**(1 481 321)**	(309 313)	**–**	–	**(2 336 359)**	(1 221 010)
Current liabilities	**(939 655)**	(982 919)	**(1 583 486)**	(1 505 039)	**(3 190 794)**	(2 614 444)	**(5 713 935)**	(5 102 402)
Bank overdraft	**–**	–	**(228 809)**	(267 258)	**–**	–	**(228 809)**	(267 258)
Net assets	**3 595 612**	2 682 691	**2 172 325**	1 004 448	**1 448 122**	1 228 940	**7 216 059**	4 916 079
Proportion of Group's ownership in joint ventures	**2 065 295**	1 532 635	**1 014 748**	459 495	**724 061**	614 470	**3 804 104**	2 606 600
Goodwill	**377 356**	365 610	**23 511**	20 172	**–**	–	**400 867**	385 782
Costs capitalised to investment	**261 962**	237 441	**–**	–	**–**	–	**261 962**	237 441
Loans^	**222 735**	203 760	**–**	–	**–**	–	**222 735**	203 760
Other	**6 231**	7 360	**–**	–	**–**	–	**6 231**	7 360
Group's share of net assets of joint ventures	**2 933 579**	2 346 806	**1 038 259**	479 667	**724 061**	614 470	**4 695 899**	3 440 943
Dividends received from joint ventures	**159 786**	347 888	**54 165**	25 344	**–**	–	**213 951**	373 232

^ This loan to Maputo Intermodal Container Depot, S.A. is non-interest bearing and has no fixed repayment terms. Management has assessed this loan for recoverability and no impairment was considered necessary. Management has no intention to request payment in the short term. There are cumulative equity accounted losses of R148.9 million (2022: R125.6 million) recorded for this joint venture, as Grindrod is a guarantor to the external debt in the business. The net carrying value of this joint venture is R71.2 million (2022: R78.2 million).

5. INVESTMENTS IN JOINT VENTURES CONTINUED

Details of material joint ventures are set out below:

	Terminal De Carvo da Matola Limitada		Portus Indico-Sociedade de Servicos Portuarios SA		RailCo Africa Limited		Röhlig-Grindrod Proprietary Limited		Grindrod Logistics	
	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000
Statement of profit at effective share										
Revenue	**1 102 318**	851 155	**101 462**	50 138	**114 938**	146 647	**387 010**	339 306	**1 032 621**	–
Profit before interest and taxation and after non-trading items and non-controlling interests	**533 392**	330 592	**313 512**	169 837	**28 215**	37 074	**120 940**	109 804	**80 862**	–
Net interest expense	**(20 961)**	(18 230)	**–**	–	**(11 655)**	(10 774)	**(20 390)**	(19 398)	**(40 242)**	–
Taxation	**(182 986)**	(121 871)	**–**	–	**(1 052)**	(5 162)	**(25 376)**	(27 610)	**(13 888)**	–
Profit for the year	**329 445**	190 491	**313 512**	169 837	**15 508**	21 138	**75 174**	62 796	**26 732**	–
Statement of financial position at 100%										
Non-current assets	**1 946 844**	1 718 274	**1 883 138**	1 466 612	**807 075**	784 402	**266 718**	256 737	**1 977 025**	–
Current assets (excluding cash)	**500 080**	424 285	**104 161**	15 504	**202 084**	73 118	**1 239 198**	1 407 228	**508 929**	–
Cash and cash equivalents	**562 937**	191 831	**1 476**	6 500	**104 306**	113 428	**103 127**	38 641	**519**	–
Non-current liabilities	**(648 045)**	(610 106)	**–**	–	**(254 309)**	(147 671)	**(139 577)**	(160 647)	**(1 060 523)**	–
Current liabilities	**(386 255)**	(385 212)	**(65 726)**	(22 015)	**(253 229)**	(335 669)	**(783 723)**	(840 548)	**(418 538)**	–
Bank overdraft	**–**	–	**–**	–	**–**	–	**(205 831)**	(267 258)	**(22 978)**	–
Net assets	**1 975 561**	1 339 072	**1 923 049**	1 466 601	**605 927**	487 608	**479 912**	434 153	**984 434**	–
Proportion of Group's ownership in joint ventures	**1 284 114**	870 397	**932 679**	711 302	**256 307**	206 258	**239 956**	217 077	**482 373**	–
Goodwill	**–**	–	**377 356**	345 372	**21 625**	18 286	**1 886**	1 886	**–**	–
Costs capitalised to investment	**261 962**	237 441	**–**	–	**–**	–	**–**	–	**–**	–
Other	**6 231**	7 360	**–**	–	**–**	–	**–**	–	**–**	–
Group's share of net assets of joint ventures	**1 552 307**	1 115 198	**1 310 035**	1 056 674	**277 932**	224 544	**241 841**	218 963	**482 373**	–

The proportionate share of capital commitments of the joint ventures is detailed in note 28.

	Segment	2023 R000	2022 R000
CMOG incurred significant losses in 2020 as a result of provisions raised on trade receivables. The Group has limited the equity accounted loss recognised to the value of investment and related shareholder loans. This investment is carried at nil value. The cumulative loss not recognised has been detailed below.	Marine Fuels		
The cumulative unrecognised proportionate share of equity accounted losses in CMOG.		**230 140**	228 436
NLPI incurred significant losses in 2021 as a result of poor volumes. The Group has limited the equity accounted loss recognised to the value of investment. This investment is carried at nil value. The cumulative loss not recognised has been detailed below.	Logistics		
The cumulative unrecognised proportionate share of equity accounted losses in NLPI.		**187 738**	50 633

In respect of CMOG and NLPI, the Group has not guaranteed any of the unrecognised losses or committed to fund these losses.

An operation, in the NLPI joint venture, located in Zimbabwe has funds which are freely available for use in Zimbabwe but the transfer of funds outside of the country is limited.
The value of the restricted funds at year end was R1.6 million (2022: R1.3 million) at Grindrod's effective share. Current year losses for this joint venture include an impairment of an intangible asset of R107.0 million.

6. INVESTMENTS IN ASSOCIATES

The consolidated Annual Financial Statements incorporate the assets, liabilities, income and expenses of associates using the equity method of accounting from the acquisition date to the disposal date, except when the investment is classified as held for sale, in which case it is accounted for as non-current assets held for sale. Losses of associates in excess of the Group's interest are only recognised to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised reduces the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group has associate interests in the following companies:

Name of associate	Principal activity	Place of incorporation	Segment	2023 Proportion of ownership	2022 Proportion of ownership
Grindrod Namibia Stevedoring Proprietary Limited	Stevedoring	Namibia	Ports and Terminals	**49.0%**	49.0%
Empresa De Dragagem Do Porto de Mozambique S.A.*	Port dredging	Mozambique	Ports and Terminals	**25.5%**	25.5%
Sturrock Flex Shipping Limited	Clearing and forwarding	Tanzania	Logistics	**37.1%**	37.1%
Mvano Executive Trading 89 Proprietary Limited	Marine technology	South Africa	Logistics	**25.1%**	25.1%

* This investment comprises 95% (2022: 95%) of the total investment in associates carrying value.

Information about the composition of the Group at the end of the reporting period has been included in the key operating segments on page 77.

Summarised financial information in respect of the Group's associates per segment is set out below.
The summarised financial information below represents amounts in associates financial statements prepared in accordance with IFRS and adjusted by the Group, when necessary, for equity accounting purposes.

	Port and Terminals		Logistics		Total	
	2023 R000	2022 R000	2023 R000	2022 R000	2023 R000	2022 R000
Statement of profit at effective share						
Revenue	**61 332**	49 941	**10 954**	8 078	**72 286**	58 019
Depreciation	**(25 823)**	(23 045)	**(52)**	(91)	**(25 875)**	(23 136)
Profit before interest and taxation	**32 925**	45 069	**4 768**	1 590	**37 693**	46 659
Net interest (expense)/income	**(8 753)**	(8 098)	**(64)**	3	**(8 817)**	(8 095)
Taxation	**(7 768)**	(6 425)	**(1 880)**	(576)	**(9 648)**	(7 001)
Profit for the year	**16 404**	30 546	**2 824**	1 017	**19 228**	31 563
Statement of financial position at 100%						
Non-current assets	**939 418**	952 744	**966**	367	**940 384**	953 111
Current assets (excluding cash)	**161 126**	90 560	**25 281**	24 561	**186 407**	115 121
Cash and cash equivalents	**3 237**	13 958	**13 271**	12 551	**16 508**	26 509
Non-current liabilities	**(68)**	(92)	**(4 201)**	–	**(4 269)**	(92)
Current liabilities	**(267 161)**	(349 042)	**(33 928)**	(33 047)	**(301 089)**	(382 089)
Net assets	**836 552**	708 128	**1 389**	4 432	**837 941**	712 560
Proportion of Group's ownership in associate	**215 455**	182 743	**945**	1 529	**216 400**	184 272
Loans	**–**	–	**4 985**	3 318	**4 985**	3 318
Group's share of net assets of associates	**215 455**	182 743	**5 930**	4 847	**221 385**	187 590
Dividends received from associates	**264**	–	**1 740**	–	**2 004**	–

Grindrod holds certain investments directly or indirectly, through an entity that is an investment entity as defined, and has elected to measure those investments at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. Grindrod made this election separately for each investment, at initial recognition. These investments have been disclosed in other investments. Refer to note 7.

7. OTHER INVESTMENTS

Other investments measured at fair value through profit and loss (FVTPL)

Other investments classified as FVTPL consist of listed investments and unlisted investments in, and loans to, the private equity investees, and the pension fund surplus on the Grindrod pension fund.

Other investments measured at FVTPL are measured at fair value and changes to the fair value are processed to the income statement. The Group's Private Equity and Property operation meets the definition of an investment entity because it has a diversified portfolio, multiple investors and various equity ownerships. Therefore all private equity investments remain at FVTPL including investments where the group holds over 20% of the equity interest but less than 50%.

Other investments measured at fair value through other comprehensive income (FVTOCI)

This consists of unlisted investments in insurance cell captives initially measured at fair value and subsequently measured FVTOCI and changes to the fair value are recorded in other comprehensive income.

	2023 R000	2022 R000
Financial assets measured at FVTPL		
Listed investments	**52 089**	58 554
Unlisted investments	**33 546**	287 729
Financial assets measured at FVTOCI		
Unlisted investments in insurance cell captives	**4 653**	11 912
Financial assets measured at amortised cost		
Loans to related parties*	**16 954**	123 023
Gross	**16 954**	345 517
Expected credit loss**	**–**	(222 494)
Pension fund surplus recognised^	**96 378**	92 982
Transferred to non-current assets classified as held for sale (note 14)	**–**	(6 430)
	203 620	567 770

* In the current year, the loan to RBT Resources Proprietary Limited was settled and the loan to RBT Grindrod Terminals Proprietary Limited was acquired and has been settled post year end.

** The prior year expected credit loss of R222.5 million relates to the loan previously advanced to set up the Richards Bay black empowerment structure.

^ Refer to note 35 for fair value hierarchy and note 19 for details of the pension fund.

The fair value of the investments approximates the carrying amount.

Summarised financial information in respect of the Group's significant associate at a carrying value of Rnil (2022: R241.0 million) held in the private equity portfolio, is set out below:

	Place of incorporation	2023 Proportion of ownership	2022 Proportion of ownership
Asset financing (35.07% shareholding in Mokoro Holding Company Proprietary Limited)	South Africa	**35.1%**	35.1%

The summarised financial information below represents gross amounts in the associates' financial statements, ie. the net asset value of the entity.

The unlisted investment has a differing year end being September. Management have used the latest unaudited available financial information.

	Vehicle financing investment	
	2023 R000	2022 R000
Statement of profit/(loss) at 100%		
Revenue	**1 214 594**	1 571 466
(Loss)/profit before interest and taxation	**(31 449)**	458 763
Net interest expense	**(28 357)**	(375 649)
Taxation	**14 997**	(22 629)
(Loss)/profit for the year	**(44 809)**	60 485
Statement of financial position at 100%		
Non-current assets	**3 224 591**	2 634 673
Current assets (excluding cash)	**594 898**	471 456
Cash and cash equivalents	**35 697**	–
Non-current liabilities	**(3 218 332)**	(2 233 555)
Current liabilities	**(486 572)**	(485 473)
Net assets	**150 282**	387 101

Proceeds on disposal of the investment is encumbered, as on 01 July 2023, a long-term debt funding arrangement was restructured to facilitate a repayment, reducing the quantum of the loan as well as to revise the underlying securities provided to the funder. Any proceeds on realising this investment now forms part of the revised security under the new arrangement.

Due to negative industry/market factors, a liquidity challenge arose in the latter part of the current year and the investee defaulted on funding repayments as at 31 December 2023. The Group does not guarantee any of the debts in the business. These factors have been incorporated into the adjusted net asset value resulting in a fair value loss of R241.0 million (2022: R60.7 million).

For the related fair value disclosure refer to note 35.1.

8. DEFERRED TAXATION

Deferred taxation assets and liabilities

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the Annual Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred taxation assets is reviewed at the end of each reporting period 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.

Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

	Consolidated	
	2023 R000	2022 R000
Deferred taxation analysed by major category:		
Capital allowances	**(23 598)**	(54 008)
Provisions	**105 600**	121 525
Other timing differences*	**(22 417)**	(13 779)
Leases	**6 020**	54 746
Estimated taxation losses	**910**	2 106
	66 515	110 590

* Other timing differences mainly relate to fair value adjustments and deferred income.

	Consolidated	
	2023 R000	2022 R000
Reconciliation of deferred taxation:		
Opening balance	**110 590**	129 528
Income statement effect:		
Continuing operations	**(27 490)**	38 816
Discontinued operations	**–**	3 404
Translation adjustment	**4 118**	2 604
Disposal of businesses (note 32.5)	**–**	(65 106)
Acquisition of businesses (note 32.6)	**(22 636)**	–
Deferred tax recognised directly in equity	**1 933**	1 344
Closing balance	**66 515**	110 590
Comprising:		
Deferred taxation assets	**121 824**	124 722
Deferred taxation liabilities	**(55 309)**	(14 132)
	66 515	110 590

Deferred taxation assets have been recognised on assessed losses in the relevant entities which the Group believes it is probable that they will generate a taxable profit in the foreseeable future. The assessments are performed on a continuous basis. Refer to note 25 for the assessed loss details.

9. FINANCE LEASE RECEIVABLES

	Consolidated 2023 R000	Consolidated 2022 R000
Non-current finance lease receivable	**429 477**	111 023
Current finance lease receivable	**82 959**	22 338
	512 436	133 361

Leasing arrangements

The Group entered into finance lease arrangements for handling equipment and locomotives. In addition, the integration of Grindrod's and Maersk's South African container handling businesses into a joint venture at the start of the year, resulted in various right-of-use assets being disposed and re-acquired under finance lease arrangements.

The terms of the finance leases range from 3 to 17 years (2022: 4 to 5 years).

Amounts receivable under finance leases

	Consolidated			
	1 year R000	2 to 5 years R000	>5 years R000	Total R000
2023				
Minimum lease payments receivable	**152 719**	**405 599**	**168 964**	**727 282**
Unearned finance income	**(69 760)**	**(77 446)**	**(67 640)**	**(214 846)**
Total present value/capital value	**82 959**	**328 153**	**101 324**	**512 436**
2022				
Minimum lease payments receivable	30 494	125 040	–	155 534
Unearned finance income	(8 156)	(14 017)	–	(22 173)
Total present value/capital value	22 338	111 023	–	133 361

The interest rates inherent in the leases are fixed at the contract date for the entire lease term. Amounts receivable under the finance leases are denominated in ZAR and USD. The effective interest rate contracted ranges from 1% to 43%. (2022: 1% to 7%)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for finance lease receivables. The finance lease receivables at the end of the reporting period are neither past due and, based on collateral held, not impaired.

10. LOANS AND ADVANCES

	Consolidated 2023 R000	Consolidated 2022 R000
Held at amortised cost	**171 788**	137 458
Held at FVTPL	**842 500**	935 500
	1 014 288	1 072 958
Contractual terms for loans and advances are not homogenous instead each funding arrangement is bespoke.		
Loans and advances – companies and trusts	**1 399 184**	1 379 966
Revaluation of loans held at fair value through profit or loss	**(375 531)**	(282 531)
Expected credit loss provision against advances (ECL Stage 1 and 2)	**(9 365)**	(24 477)
	1 014 288	1 072 958
Advances are secured with collateral such as mortgage bonds and guarantees.		
Spilt as follows:		
Non-current	**1 014 288**	1 072 958
Current	**–**	–
Maximum exposure to credit risk before impairments	**1 023 653**	1 097 435
Exposures with renegotiated terms	**1 023 653**	1 097 435
Sectoral analysis:		
Real estate*	**1 023 653**	1 097 435
Expected credit loss provision against advances (ECL Stage 1 and 2)	**(9 365)**	(24 477)
	1 014 288	1 072 958
* This relates to property along the North Coast of KZN.		
Refer to note 35.1 for fair value hierarchy.		
Geographical analysis:		
South Africa	**1 014 288**	1 072 958
Breakdown of ECL provision included above:		
Analysis of ECL provision (ECL Stages 1 and 2)		
Provision at the beginning of the year	**24 477**	38 210
Net decrease in provision	**(15 112)**	(1 892)
Disposal of business	**–**	(11 841)
Provision at the end of the year	**9 365**	24 477
ECL provision analysis		
Portfolio provision – Stage 1	**9 365**	24 477
	9 365	24 477

10. LOANS AND ADVANCES CONTINUED

	Consolidated 2023 R000	2022 R000
Collateral		
Real Estate	**1 014 288**	1 072 958
Guarantee/Letter of Undertaking	**–**	17 500
Collateral held	**1 014 288**	1 090 458
Unsecured	**9 365**	6 977
ECL allowance against loans and advances (ECL Stages 1 and 2)	**(9 365)**	(24 477)
	1 014 288	1 072 958

During the year, a cross-default arose on the fair value loan. The borrower provided guarantees to another lender for a loan that was in default and the lender called on the guarantee, which was not settled. Accordingly, the lender issued a letter of demand. Due to the cross-default Grindrod has also issued a letter of demand on the fair value loan.

11. LONG-TERM RECEIVABLE

The long-term receivable comprises the deferred interest-bearing proceeds from the disposal of the investment in Select Industrial Real Estate UK Fund Limited ("SIRE").

On 04 November 2021, the Group disposed of its entire shareholding in SIRE for a cash consideration of £17.4 million to Gripon Limited, the other shareholder in the underlying structure. £6.5 million (R131.5 million) has been received to date with the below tranches still to be received as follows:

- £5.2 million is to be received on 04 May 2024; and
- £5.7 million is to be received on 04 November 2024.

Since inception, the outstanding proceeds were discounted at a rate of 5.4% based on a market related borrowing rate in the United Kingdom, for borrowings with a similar collateral profile, factoring in the credit risk of the buyer. In addition, interest at 1.5% on the outstanding proceeds commenced 13 months from the date of disposal.

	Consolidated 2023 R000	2022 R000
Carrying value of the receivable is converted at a closing exchange rate of R23.64/£ (2022 December: 20.47/£)*	**253 589**	204 950
Split as follows:		
Non-current^	**–**	204 950
Current^	**253 589**	–

* The impact of a R1 change in the exchange rate would result in a change in the receivable carrying value of R10.7 million (2022: R10.0 million). In addition, the impact of a 1% change in the discount rate at inception would have resulted in a change in the receivable carrying value of R5.8 million.

^ The receivable is encumbered, as on 01 July 2023, a long-term debt funding arrangement was restructured to facilitate a repayment, reducing the quantum of the loan as well as to revise the underlying securities provided to the funder. This long-term receivable now forms part of the revised security under the new arrangement.

Expected credit losses of R1.6 million (2022: R1.6 million) have been raised relating to the abovementioned receivable.

12. TRADE AND OTHER RECEIVABLES

	Consolidated 2023 R000	2022 R000
Net trade debtors	**790 430**	961 595
Trade receivables	**1 076 410**	1 226 559
Expected credit loss (ECL)	**(285 980)**	(264 964)
Receivables from joint ventures	**2 254**	92 424
VAT receivable	**137 830**	100 261
Prepayments	**167 101**	198 098
Recoverable disbursements	**220 423**	95 967
Deferred consideration on disposal of businesses	**–**	18 148
Gross amount receivable	**23 815**	41 963
ECL raised	**(23 815)**	(23 815)
Other receivables*	**342 112**	425 131
Transferred to non-current assets classified as held for sale (note 14)	**–**	(221 438)
	1 660 150	1 670 186

* Included in other receivables are accrued income/contract assets, deposits, operating lease accruals, and receivable claims.

The carrying amount of trade and other receivables approximates fair value as these are predominantly short term and non-interest bearing.

In the current year, the deferred consideration of R18.1 million relating to proceeds on disposal of an investment in the private equity portfolio, was received in full. The deferred consideration of R23.8 million fully provided for relates to the disposal of the fuel carrier businesses in 2021.

Further details relating to expected credit loss for trade receivables, receivables from joint ventures, deferred consideration on disposal of businesses and other receivables are shown in note 35.4.

13. MONEY MARKET FUNDS

During the year, the Group placed funds in an offshore Old Mutual money market fund. The fund has been operating since 2015 with the same investment profile and has never defaulted on investors cashing out securities.

Funds are made available within 48 hours of giving notice to withdraw. The fund invests in fixed deposits only with high quality banks on fixed and floating rates in terms of an average tenure of 180 days and accordingly has not been disclosed as cash and cash equivalents.

	Consolidated 2023 R000	2022 R000
Money market funds	**416 336**	–

The fund provides an average yield of 5.9%.

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND NON-CURRENT LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the assets or disposal group are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such asset, or disposal groups, and management is committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of the classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Immediately prior to being classified as held for sale, the carrying amount of assets and liabilities are measured in accordance with the applicable standard. After classification as held for sale, an asset is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the asset and disposal Group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

Non-current assets or disposal groups that are classified as held for sale are not depreciated and no equity accounted earnings are recognised.

Business disposals

The joint venture transaction between Maersk Logistics and Services operations with certain of Grindrod's container depots and its coastal shipping business was completed with all conditions precedent fulfilled on the 01 January 2023. Consequently, the assets and liabilities, subject to disposal, were classified as non-current assets held for sale in the prior year.

The disposal was not disclosed as a discontinued operation as it did not constitute a separate major line of business to the Group, therefore earnings were presented in continuing operations.

	2023 R000	2022 R000
Non-current assets held for sale		
Freehold and leasehold properties	–	115 406
Assets under construction	–	13 152
Terminals, machinery, vehicles and equipment	–	197 477
Right-of-use assets	–	231 968
Goodwill	–	133 584
Intangible assets	–	13 743
Inventory	–	41 601
Bank and cash	–	6
Unlisted investments	–	6 430
Trade and other receivables	–	221 438
Total	–	974 805
Non-current liabilities held for sale		
Lease liabilities	–	(272 108)
Trade and other payables	–	(91 696)
	–	(363 804)

Current year movement in non-current assets classified as held for sale

	Opening balance R000	Transfer in R000	Transfer out R000	Disposal R000	Total R000
Non-current assets held for sale					
Freehold and leasehold properties	115 406	–	–	(115 406)	–
Assets under construction	13 152	–	–	(13 152)	–
Terminals, machinery, vehicles and equipment	197 477	–	(479)	(196 998)	–
Right-of-use assets	231 968	–	(23 082)	(208 886)	–
Goodwill	133 584	–	–	(133 584)	–
Intangible assets	13 743	–	–	(13 743)	–
Inventory	41 601	–	–	(41 601)	–
Bank and cash	6	–	–	(6)	–
Unlisted investments	6 430	–	–	(6 430)	–
Trade and other receivables	221 438	38 537	–	(259 975)	–
	974 805	38 537	(23 561)	(989 781)	–
Non-current liabilities held for sale					
Lease liabilities	(272 108)	–	37 006	235 102	–
Trade and other payables	(91 696)	(25 608)	–	117 304	–
	(363 804)	(25 608)	37 006	352 406	–

Reconciliation to cash flow statement

	2023 R000	2022 R000
Net carrying value of disposal group at disposal date	637 375	65 000
Add: profit on disposal	92 758	–
Proceeds on sale	730 133	65 000
Recovered as follows:	730 133	65 000
Investment in 49% joint venture acquired	457 720	–
Cash proceeds on disposal of non-current assets held for sale per cash flow statement	272 413	65 000

15. SHARE CAPITAL AND PREMIUM

Group authorised and issued share capital are as follows:

	2023 R000	2022 R000
Authorised		
2 750 000 000 ordinary shares of 0,002 cents each	**55**	55
20 000 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0,031 cents each	**6**	6
	61	61
There has been no change in the number of authorised shares from the prior year.		
Issued		
698 031 586 (2022: 698 031 586) ordinary shares of 0,002 cents each	**14**	14
7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0,031 cents each	**2**	2
	16	16

	Consolidated	
	2023 R000	2022 R000
Total issued share capital and premium	**3 936 323**	3 934 557

In the current year, nil shares (2022: 125 000) were bought back as treasury shares at an average share price of Rnil per share (2022: R5.72). At 31 December 2023, 30 271 331 (2022: 30 735 628) ordinary shares are held by subsidiaries of the Group. Of these shares, 1 779 332 (2022: 1 879 000) have been allocated to the Group's forfeitable share plan and 4 220 668 (2022: 4 112 626) vested under the scheme. Refer to notes 33 and 37 for details of the forfeitable share plan.

16. BORROWINGS

	Consolidated	
	2023 R000	2022 R000
Long-term borrowings		
Unsecured		
Lease liabilities	**637 818**	880 957
Secured		
Secured liabilities and financing	**1 598 113**	1 322 911
	2 235 931	2 203 868
Total amounts repayable within one year	**(268 968)**	(397 649)
Long-term borrowings	**1 966 963**	1 806 219
Transferred to non-current liabilities associated with assets classified as held for sale (note 14)	**–**	(272 108)
	1 966 963	1 534 111
Interest-bearing borrowings are disclosed in the consolidated statement of financial position as follows:	**2 235 931**	2 203 868
Long-term borrowings	**1 443 595**	1 087 767
Lease liabilities	**523 368**	446 344
Current portion of lease liabilities	**114 450**	161 829
Current portion of long-term borrowings	**154 518**	235 820
Non-current liabilities associated with assets classified as held for sale (note 14)	**–**	272 108
Short-term interest-bearing borrowings and bank overdraft	**266 279**	410 967
Total interest-bearing debt (excluding Private Equity funding)	**2 502 210**	2 614 835

Property, terminals, vehicles and equipment of R1 216.3 million (2022: R739.6 million), finance lease receivables of R247.5 million (2022: Rnil) and the long term receivable of R253.6 million (2022: Rnil) are pledged as security for loans of R1 598.1 million (2022: R615.9 million).

The Group determines its availability of funds and assesses its cash requirements on a weekly basis. Consideration is given to the most appropriate form of funding prior to any acquisitions. Group treasury determines the amount of unutilised facilities in assessing the funds available to the Group. The net cash balances included in current assets and current liabilities are included in the determination of the headroom available.

16. BORROWINGS CONTINUED

	Consolidated			
	Date of redemption	Current rate of interest per annum (%)	2023 Carrying value R000	2022 Carrying value R000
Secured				
Foreign currency funding				
Asset finance secured by vehicles, machinery and equipment	**01/2021 to 08/2028**	**8.56 to 19.50**	**292 350**	74 812
Local currency funding				
Financial liabilities measured at amortised cost				
Asset finance secured by ship, vehicles, machinery and equipment, long-term receivables and other investments	**07/2022 to 12/2028**	**8.97 to 10.75**	**528 208**	225 453
Loans secured by mortgage bond over property	**08/2015 to 10/2029**	**10.85 to 11.15**	**777 555**	1 022 646
Aggregate secured long-term borrowings			**1 598 113**	1 322 911

Available facilities

Interest-bearing term debt is raised to fund locomotives, property, terminals, vehicles, equipment and inventory. The facilities are fixed based on specific loan agreements and the specific assets against which the loans are secured.

The Group has undrawn committed facilities as at 31 December 2023, as follows:

	Expiry category	Currency	2023 R000	2022 R000
Long-term debt facilities	9 to 12 months	USD	**–**	176 492
Long-term debt facilities	9 to 12 months	ZAR	**254 394**	295 111
Short-term borrowing facilities	9 to 12 months	USD	**185 600**	169 800
Short-term borrowing facilities	3 to 6 months	ZAR	**172 729**	242 548
Short-term borrowing facilities	9 to 12 months	ZAR	**290 000**	290 000
			902 723	1 173 951

17. PRIVATE EQUITY FUNDING

	Consolidated	
	2023 R000	2022 R000
Unsecured		
Short-term financing	**–**	63 444
Secured		
Long-term financing	**120 653**	108 924
Long-term borrowings	**120 653**	172 368
Total amounts repayable within one year	**–**	(63 444)
	120 653	108 924

The loan is ZAR denominated, repayable in April 2025 and the interest rate as at 31 December 2023 is 10.6% (2022: 9.5%). The unsecured ZAR denominated short-term loan was repaid in the current year. The loan was interest-bearing at 8.8%.

18. PROVISIONS AND OTHER LIABILITIES

Provision for warranties

As part the disposal of Bank in 2022, the Group provided warranties for a maximum of R300 million on specific loans and advances secured by KZN North Coast properties for a period of 3 years after the disposal date of 01 November 2022. This was fair valued as at 31 December 2023 and a provision of R126.0 million (2022: R70.0 million) was raised. In addition, the Group provided general warranties for a maximum of R100 million. Exposure was assessed to be R9.4 million (2022: R15.0 million) and a provision was raised.

	Consolidated	
	2023 R000	2022 R000
Provision for warranties		
Opening balance	**85 000**	–
Raised	**50 400**	85 000
Closing balance	**135 400**	85 000
Split as follows:		
Non-current	**135 400**	85 000
Current	**–**	–

18. PROVISIONS AND OTHER LIABILITIES CONTINUED

Provision for share price linked option scheme

The share-price linked option provision relates to a remuneration scheme whereby certain employees of Grindrod Limited are entitled to receive a cash settlement based on the excess of the market price of shares over an agreed upon strike price. Refer to note 33.

	Consolidated	
	2023 R000	2022 R000
Provision for share price linked option scheme		
Opening balance	**95 675**	11 670
Raised	**27 280**	84 524
Utilised	**(33 637)**	(690)
Translation difference	**485**	171
Closing balance	**89 803**	95 675
Split as follows:		
Non-current	**49 677**	55 325
Current	**40 126**	40 350
Total provisions	**225 203**	180 675
Split as follows:		
Non-current	**185 077**	140 325
Current	**40 126**	40 350

19. RETIREMENT BENEFIT PLANS

Grindrod provides privately administered pension and provident funds for all permanent employees except those who belong to an external fund, industry pension fund or provident scheme. All eligible employees are members of either defined benefit or defined contribution plans which are governed by the South African Pension Funds Act, 1956.

Defined benefit costs

Past service costs are recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service costs (including current service costs, past service costs, as well as gains and losses on curtailments and settlements), net interest expense or income and remeasurement.

The Group presents service costs and net interest expense or income in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The employee benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Post-employment benefit obligations

Grindrod operates a defined benefit pension plan as well as two defined contribution provident funds.

Current contributions to Grindrod's defined contribution funds are charged against income when incurred. The cost of providing benefits to Grindrod's defined benefit plan and the obligation in respect of post-retirement medical aid are determined and expensed using the projected unit credit actuarial valuation method. Contribution rates to the defined benefit plan are adjusted for any unfavourable experience adjustments. Favourable experience adjustments are retained within the fund. Actuarial surpluses are brought to account in Grindrod's Annual Financial Statements only when it is clear that economic benefits will be available to Grindrod. These surpluses are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur.

Grindrod's estimated liability in respect of post-retirement medical benefits has been fully provided in the statement of financial position.

The risks faced by Grindrod as a result of the retirement benefit plan are actuarial risks relating to:

- Longevity risk
- Investment risk
- Market risk
- Liquidity risk
- Salary risk
- Foreign exchange rate risk

Longevity risk

The pensioners have been outsourced in the name of the Fund (GN12), thus presently the Fund is exposed to the risk that the insurer might default on pension payments. The outsource removes the longevity risk from the Fund i.e. the risk that pensioners live longer than expected, and passes this risk on to the insurer.

Investment risk

The plan assets are primarily invested in equities and bonds, with a majority in equities. This exposes the Fund to a slight concentration of market risk. If the plan assets are not adequate or suitable to fund the liabilities of the Fund, and the nature thereof, the entity will be required to fund the balance, hence exposing it to risks on the investment return.

Market risk

In order to reduce market risk, the investment portfolio is diversified by investing in equities of different companies and in different issues of bonds and deposits. Cash deposits are also invested with different institutions as well as in different geographical markets. The risk is further reduced by investing in well-researched companies and by investing in bonds with high credit ratings.

Liquidity risk

Liquidity risk, the risk of not having liquid assets to meet liabilities as they fall due, is reduced by investing in liquid assets and highly tradeable assets.

Salary risk

Salaries are assumed to depend on inflation, which means the active member liability is also exposed to inflation risk.

19. RETIREMENT BENEFIT PLANS CONTINUED

Foreign exchange risk

The great majority of member's retirement fund liabilities are denominated in ZAR. A currency mismatch is therefore introduced when investing in foreign investments. The risk is due to the fact that the currency invested could weaken against the Rand. However, since inflation in South Africa is likely to remain structurally higher than in most developed countries, it is expected that the Rand would weaken against the major investment currencies over time.

The volatility risk associated with foreign investments is reduced when only a limited portion of the portfolio's assets is invested offshore as is currently required in terms of Regulation 28 and the South African Reserve Bank requirements.

	Consolidated 2023 R000	Consolidated 2022 R000
The funded status of the pension fund is as follows:		
Actuarial value of assets	**131 479**	128 385
Present value of liabilities	**(35 101)**	(35 403)
Actuarial surplus (note 7)	**96 378**	92 982
The amounts recognised in the Annual Financial Statements in this respect are as follows:		
Recognised asset at beginning of the year	**92 982**	87 911
Recognised in the income statement in the current year	**11 340**	8 915
Interest on obligation	**(4 384)**	(4 155)
Current service cost	**(441)**	(1 706)
Expected return on plan assets	**16 165**	14 776
Recognised in other comprehensive income in the current year	**(7 944)**	(3 844)
Actuarial gain arising from changes in financial assumptions	**2**	11
Actuarial loss on plan assets	**(10 862)**	(6 097)
Actuarial gain arising from changes in experience assumptions	**2 916**	2 242
	96 378	92 982
The assets of the fund were invested as follows:		
Cash and cash equivalents	**11.6%**	7.0%
Equity instruments	**63.5%**	63.8%
Debt instruments	**15.4%**	17.5%
Real estate	**8.8%**	11.0%
International instruments	**0.5%**	0.6%
Other	**0.1%**	0.1%

The fair value of the above equity and debt instruments are determined based on quoted market prices in active markets.

An actuarial valuation was performed as at 31 December 2023. The employer's contributions to all retirement benefit plans are charged against income when incurred.

	Consolidated 2023 %	Consolidated 2022 %
The principal actuarial assumptions applied in the determination of fair values include:		
Discount rate	**13.4**	12.7
Salary increase rate	**8.2**	8.0
Pension increase allowance	**7.2**	7.0
Inflation rate	**7.2**	7.0
Statutory discount rate for minimum benefits	**5.2**	5.0
Post-retirement discount rate for minimum benefits	**4.0**	4.0

	2023 Effect of a 1%		2022 Effect of a 1%	
	Increase	(Decrease)	Increase	(Decrease)
The effects of an increase or decrease of 1% in the assumed discount rates on the present value of liabilities is as follows:	**0.0%**	**0.0%**	0.0%	0.1%
The effects of an increase or decrease of 1% in the assumed inflation rates on the present value of liabilities is as follows:	**0.0%**	**0.0%**	0.1%	0.0%

The sensitivity analysis presented above may not be representative of the actual change in the obligation as it is unlikely that the above changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from the prior year.

The Group and employees expect to make a contribution of R1 000 (2022: R1 000) to the retirement benefit plan during the next financial year.

Risk management

There has been no change in the process used by the Group to manage its risks from prior years.

20. TRADE AND OTHER PAYABLES

	Consolidated	
	2023 R000	2022 R000
Trade creditors	**832 641**	748 410
Accrued expenses	**415 723**	668 278
Other payables*	**429 452**	337 618
Transferred to non-current liabilities associates with assets classified as held for sale (note 14)	**–**	(91 696)
	1 677 816	1 662 610

* Other payables consist mainly of VAT, deposits, deferred revenue, guarantees and preference dividends payable.

The carrying amount of trade and other payables approximates fair value as these are predominantly short-term and non-interest bearing.

21. REVENUE

Accounting policy

At the inception of a contract with a customer, Grindrod assesses the goods or services promised in the contract and identifies as a performance obligation each promise to transfer to the customer either a good or service, or bundle of goods or services, that is distinct; or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Revenue from services is recognised when the performance obligation relating to each specific contract has been satisfied. Performance obligations are satisfied either at a point in time or over time. Where performance obligations are satisfied over time, the entity adopts an input method based on the costs incurred to date as a percentage of the total cost of the contract as a measure of the percentage of completion of the contract. Given the nature of the contracts completed over time, this method provides a faithful depiction of the transfer of goods and services for performance obligations satisfied over time.

The performance obligation with respect to the sale of goods is recognised when the Grindrod entity has delivered its products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or Grindrod has objective evidence that all criteria for acceptance have been satisfied. The performance obligation with respect to provision of services is recognised when the service has been provided to the customer.

Payments by customers are typically made in advance or within 30 days of revenue being recognised. Where payments are deferred for a period beyond 12 months after revenue being recognised, a significant financing component is included in the contract. Revenue is recognised at the present value of the consideration receivable over the contract period with the balance of the consideration being recognised as finance income over time.

Contracts with customers within the Port and Terminals business segment include transaction prices that have variable considerations. This is due to the existence of take or pay arrangements (ToP) whereby the customer commits to a minimum volume throughput during the contract period.

A variable consideration is only recognised to the extent that it is highly probable i.e. when the additional consideration/charge is agreed upon between the parties. ToP revenue does not always materialise as it involves negotiation with the customer which may result in either of the following:

- Additional revenue being recognised if the customer agrees to the additional charge; or
- Additional revenue not being recognised if the customer does not agree to the additional charge.

Due to the variability and subjectivity involved, Grindrod's policy is to recognise ToP revenue only when amounts are agreed-upon/confirmed with the customer. This ensures that there is no significant reversal of previously recognised revenue.

The transaction price is allocated to each performance obligation in a contract on a relative stand-alone selling price basis where contracts have more than one performance obligation. Where discounts are issued on contracts that consist of more than one performance obligation, Grindrod allocates the discount to each performance obligation separately. In some instances, Grindrod provides multiple services to customers in a single contract. Where it is the intention of Grindrod to provide an end-to-end solution, these are considered as an integrated set of activities and treated as a single performance obligation.

Revenue description

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

The following is a description of the principal activities from which Grindrod generates its revenue:

Bulk Terminals

Handling

The bulk terminal activities involve receiving, stockpiling and loading of cargo onto vessels for onward transportation. The terminal earns a fixed rate, per ton loaded onto the vessel, which is a single performance obligation therefore revenue is recognised at a point in time. The performance obligation is met when cargo tonnage is loaded onto the vessel and involves an integrated set of activities as the terminal would not be able to fulfil its promise, by transferring each of the services independently.

Value added services – commodity export sales

Grindrod entered into agreements with customers to sell specific commodities at a fixed price. The sale is recognised only when the commodity is loaded onto a vessel or delivered to a contractually agreed location therefore revenue is recognised at a point in time. Any commercial risk related to the transactions are managed and mitigated to minimise exposure to Grindrod. Grindrod is a principal to the transaction where it retains inventory and credit risk.

Container handling

Grindrod provides various services to customers through its coastal shipping and its container depot businesses as well as its Northern Mozambique graphite operations including container handling, transport, warehousing, loading and offloading. The performance obligation related to handling and transport of containers is recognised over time. The remaining services rendered by the container depot/intermodal and Northern Mozambique businesses is satisfied at a point in time.

Logistics

Grindrod provides a variety of logistics solutions for the transportation of cargo through road, rail and sea.
The performance obligation from this service is satisfied at a point in time when the cargo has been delivered to the customer.

21. REVENUE CONTINUED

Sale of project cargo handling equipment

Grindrod has entered into lease agreements to purchase and lease, under finance lease agreements, various equipment to customers. These lease arrangements are within entities of the Group, that in the ordinary course of business, acquire equipment with the intention of leasing and selling these assets. Accordingly revenue has been recognised in terms of dealer lessor accounting being the fair value of the underlying asset or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest. The sale of goods is satisfied at a point in time.

Ships agency income

Grindrod provides clearing and forwarding of imports and exports, transportation of goods and ship husbandry services. Each performance obligation from these services is satisfied at a point in time when the cargo has been delivered to the customer.

Stevedoring

Grindrod is engaged in providing stevedoring services for dry-bulk, break-bulk, container and vehicle discharge services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Rental income

Rental income comprises mainly contractual rental income from the lease of properties and other assets and is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income relates to interest on finance lease receivables recognised in terms of dealer lessor accounting. Refer to the sale of project cargo handling equipment above.

Other services

Other services includes revenue earned from various ancillary services including but not limited to management fee income and training. The performance obligation is the provision of the relevant service and is satisfied over time.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

21.1 Revenue

		Consolidated 2023 R000	Consolidated Restated 2022 R000
Revenue from each category is disaggregated in the following table:			
Bulk terminals recognised at a point in time		**2 250 014**	2 859 996
Handling	Port and Terminals	**1 566 010**	1 373 106
Value added services – commodity export sales	Group	**684 004**	1 486 890
Container handling		**711 224**	*1 882 480
Recognised at a point in time	Logistics	**555 204**	*1 336 573
Recognised over time	Logistics	**156 020**	545 907
Logistics recognised at a point in time	Logistics	**760 241**	443 327
Sale of project cargo handling equipment recognised at a point in time	Logistics	**114 398**	–
Ships agency income recognised at a point in time	Logistics	**593 241**	*400 974
Stevedoring recognised at a point in time	Port and Terminals	**110 668**	**110 066
Rental income recognised over time	Port and Terminals, Logistics and Group	**129 382**	^45 147
Interest income recognised over time	Logistics	**27 808**	–
Other services^^	Port and Terminals, Logistics and Group	**148 596**	141 745
		4 845 572	5 883 735

* In December 2022 container handling revenue of R61.5 million was incorrectly disclosed in ships agency income. This has now been corrected.

** Revenue earned from stevedoring services which was previously included in other services has now been disaggregated and reported separately.

^ Rental income earned which was previously included in other services has now been disaggregated and reported separately.

^^ Other services include revenue earned from various ancillary services including but not limited to management fee income and training. The performance obligation is the provision of the relevant service and is satisfied at a point in time and over time.

22. PROFIT FROM CONTINUING OPERATIONS

22.1 Reconciliation of revenue to trading profit before expected credit losses and depreciation and amortisation

Trading profit is generated by the Group's operating activities and comprises revenue net of directly attributable costs and fair value gains and losses on financial instruments. Trading profit does not include finance related income and expenses. Trading profit is disclosed before expected credit losses, depreciation and amortisation, non-trading items and joint venture and associate equity accounted earnings.

Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render services that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

Continuing operations reconciliation of revenue to trading profit before expected credit losses, depreciation and amortisation

	Consolidated	
	2023 R000	2022 R000
Revenue	**4 845 572**	5 883 735
Less: Expenses	**(3 893 019)**	(4 718 838)
Staff costs	**(925 860)**	(1 143 577)
Subcontractor handling, plant hire, transport and other related costs	**(1 108 181)**	(1 010 771)
Value added services – cost of commodities for export sales	**(386 730)**	(803 835)
Agent commission on commodity export sales	**(52 844)**	(377 858)
Bunker costs	**(75)**	(110 046)
Other container and bulk handling expenses	**(242 544)**	(282 258)
Cost of project cargo handling equipment sold	**(109 451)**	–
Property and infrastructure related costs	**(472 655)**	(414 879)
Audit fees	**(29 181)**	(27 130)
Other operating expenses*	**(235 692)**	(217 976)
Net foreign exchange gain/(loss)	**28 028**	(19 151)
Net loss on financial instruments	**(357 834)**	(311 357)
Add: Other income	**62 502**	207 368
Insurance income	**9 243**	150 983
Other income	**53 259**	56 385
Trading profit	**1 015 055**	1 372 265

* Other operating expenses comprises mainly of motor vehicle expenses, communication expenses, computer expenses, professional fees and administrative expenses.

22.2 Continuing operations profit before interest, taxation and non-trading items

	2023 R000	2022 R000
Depreciation and amortisation	**(391 631)**	(486 338)
Depreciation	**(372 727)**	(462 742)
Amortisation	**(18 904)**	(23 596)
Expected credit losses	**(92 030)**	(267 114)
Loan and advances	**15 112**	(24 477)
Preference share loan receivable	**–**	(222 494)
Trade receivables	**(107 142)**	(20 143)

23. NON-TRADING ITEMS

Non-trading items is a non-IFRS measure and consists of items that are usually capital in nature or not of an operational nature. In most cases non-trading items are those items excluded from headline earnings per share (HEPS) in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2023 and generally include re-measurements due to:

- impairments of goodwill and non-current assets;
- gains and losses on the measurement to fair value less costs to sell (or on the disposal) of assets or disposal groups constituting discontinued operations;
- gains and losses on the measurement to fair value less costs to sell of non-current assets or disposal groups classified as held for sale;
- gains and losses on the disposal of property, terminals, machinery, ship, vehicles and equipment;
- recycling through profit or loss of foreign currency translation reserves upon disposal of entities whose functional currencies are different to the Group's presentation currency; and
- the Group's proportionate share of non-trading items (determined on the same basis) of associates and joint ventures.

Re-measurements to fair value of other financial instruments (including amounts recycled through profit or loss under cash flow hedges that were previously recognised directly in equity) are not included in non-trading items.

23. NON-TRADING ITEMS CONTINUED

	Consolidated 2023 R000	2022 R000
Loss on scrapping of intangibles, property, terminals, machinery and vehicles due to KZN floods	–	(45 211)
Insurance compensation on property, terminals, machinery, vehicles and equipment impaired and scrapped due to KZN floods	**21 620**	54 115
Impairment of intangibles, property, terminals, machinery, vehicles and equipment due to KZN floods	–	(5 349)
Net impairment of property, terminals, machinery, ship, vehicles and equipment	**2 166**	15 225
Net impairment of intangible assets	**(29 774)**	–
Net profit on disposal of investments	**34 226**	7 376
Loss on disposal of business	**(257)**	–
Profit on disposal of non-current assets held for sale and liabilities associated with assets held for sale	**92 758**	–
Net profit on disposal of property, terminals, machinery, ship, vehicles and equipment	**7 965**	34 846
Foreign currency translation reserve release	**(6 549)**	–
Impairment of goodwill	**(137 330)**	–
	(15 175)	61 002

24. INTEREST INCOME/(EXPENSE)

	Consolidated 2023 R000	2022 R000
Interest income on financial assets at amortised cost	**240 642**	141 487
Interest expense on financial liabilities held at amortised cost	**(174 019)**	(153 409)
Interest expense on lease liabilities	**(45 948)**	(64 615)
Total interest expense	**(219 967)**	(218 024)

25. TAXATION

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to taxable income.

Deferred taxation is recognised in profit or loss except when it relates to items credited or charged directly to equity, in which case it is also recognised in equity.

	Consolidated 2023 R000	2022 R000
South African normal taxation		
Current		
On income for the year	**83 309**	88 277
Capital gains taxation (CGT)	**14 008**	140
Prior year*	**(19 074)**	2 971
Withholding taxes	**4 796**	3 049
Deferred		
On income for the year	**49 985**	(35 605)
Prior year*	**(28 753)**	(389)
Change of rate	–	2 606
Foreign		
Current		
On income for the year	**226 042**	249 232
Prior year*	**(53 075)**	(205)
Withholding taxes	**18 110**	43 216
Deferred		
On income for the year	**(5 807)**	(7 556)
Prior year	**(1 156)**	298
Withholding taxes	**13 221**	1 830
	301 606	347 864

* The 2023 prior year overprovision mainly relates to assessments raised by the relevant revenue authorities and the release of deferred taxation balances which were not disposed as part of the container depot business.

25. TAXATION CONTINUED

		South Africa R000	Mozambique R000	Mauritius R000	Other R000	Group R000
2023						
Tax rate*	(%)	**27%**	**32%**	**15%**	**24.5%**	**27.7%**
Normal taxation^		**(101 888)**	**187 484**	**27 801**	**35 074**	**148 471**
Adjusted for:						
Current year tax losses not utilised/(utilised)		**57 573**	**(474)**	**91**	**1 036**	**58 226**
Exempt income[1]		**(44 567)**	**–**	**(4 356)**	**(15 660)**	**(64 583)**
Non-taxable foreign items/income taxed at source[2]		**–**	**4 752**	**956**	**–**	**5 708**
Withholding tax		**4 796**	**–**	**30 644**	**687**	**36 127**
Non-allowable items[3]		**222 176**	**1 492**	**3 128**	**2 367**	**229 163**
Investment tax credits		**–**	**–**	**(23 456)**	**–**	**(23 456)**
CGT[4]		**14 008**	**–**	**–**	**–**	**14 008**
Prior year – current taxation		**(19 074)[5]**	**–**	**(53 071)[5]**	**(4)**	**(72 149)**
Prior year – deferred taxation		**(28 753)[6]**	**–**	**(1 156)**	**–**	**(29 909)**
Effective taxation		**104 271**	**193 254**	**(19 419)**	**23 500**	**301 606**
2022						
Tax rate*	(%)	28%	32%	15%	16.6%	19.9%
Normal taxation^		(123 586)	160 387	62 824	20 667	120 292
Adjusted for:						
Current year tax losses not utilised/(utilised)		14 836	–	3 576	(782)	17 630
Exempt income[1]		(52 772)	(175)	(2 264)	–	(55 211)
Non-taxable foreign items/income taxed at source[2]		–	7 594	–	14 871	22 465
Withholding tax		3 049	12 984	32 062	–	48 095
Non-allowable items[3]		214 205	780	9 414	2 486	226 885
Investment tax credits		(11)	(8 954)	(28 748)	–	(37 713)
CGT[4]		140	–	–	–	140
Change of rate		2 606	–	–	–	2 606
Prior year – current taxation		2 971	–	(164)	(41)	2 766
Prior year – deferred taxation		(389)	–	–	298	(91)
Effective taxation		61 049	172 616	76 700	37 499	347 864

* The Other and Group rate of tax varies as it is based on a weighted average calculation for the respective year. The weighted average calculation is a function of the aggregation of the statutory taxation arising from each of the entities over the aggregate of the net profit/loss before taxation for the respective entities. As this mix changes, so too does the tax rate.
^ The negative normal taxation is due to loss before taxation.
1 Exempt income relates mainly to non-taxable capital profits and dividends received.
2 Non-taxable foreign items mainly relates to differences on foreign subsidiaries taxation rates.
3 Non-allowable items mainly relates to non-deductible fair value expenses and impairments.
4 Capital gains tax relates to the sale of assets.
5 This mainly relates to assessments raised by the relevant tax authorities.
6 This mainly relates to balances not disposed as part of the container depot businesses.

Subsidiary companies have estimated taxation losses of R694.4 million (2022: R947.1 million) of which R0.9 million (2022: R7.1 million) has been utilised in the calculation of deferred taxation.

26. DISCONTINUED OPERATIONS

The Grindrod Bank disposal was effective on 01 November 2022 and consequently the Bank segment was presented as a discontinued operation in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations in the prior year, as it constituted a separate major line of business.

	Consolidated 2023 R000	Consolidated 2022 R000
Revenue*	–	448 329
Trading profit before expected credit losses, depreciation and amortisation	–	142 527
Depreciation and amortisation	–	(13 262)
Expected credit losses	–	(23 316)
Profit before interest, taxation and non-trading items	–	105 949
Non-trading items**	–	(265 517)
Interest income	–	7 949
Loss before taxation	–	(151 619)
Taxation	–	(23 534)
Loss for the year from discontinued operations	–	(175 153)
Attributable to:		
Owners of the parent	–	(175 153)
Cash flows from discontinued operations		
Net cash outflows from operating activities	–	(411 430)
Net cash inflows from investing activities	–	8 597
Net cash inflows from financing activities	–	692 022
Net cash inflows	–	289 189

* Revenue includes interest earned on loans and advances using effective interest rates.
** Non-trading items mainly relates to the Group's loss on sale of the Bank.

27. EARNINGS PER SHARE

	Notes	Consolidated 2023 R000	2022 R000
27.1 Basic earnings/(loss) per share			
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Profit attributable to owners of parent		**1 062 154**	657 477
Less: preference dividends		**(74 378)**	(56 396)
Profit/(loss) used in the calculation of basic earnings per share		**987 776**	601 081
From continuing operations		**987 776**	776 234
From discontinued operations		**–**	(175 153)
Weighted average number of shares in issue for the year	(000s)	**667 223**	666 860
Basic earnings/(loss) per shares	(cents)	**148.0**	90.1
From continuing operations	(cents)	**148.0**	116.4
From discontinued operations	(cents)	**–**	(26.3)
27.2 Diluted earnings/(loss) per share			
Diluted weighted average number of shares in issue for the year	(000s)	**667 750**	667 656
Reconciliation of weighted average number of shares			
Basic weighted average number of shares in issue	(000s)	**667 223**	666 860
Shares that will be issued for no value in terms of share option scheme	(000s)	**527**	796
Diluted average number of shares in issue	(000s)	**667 750**	667 656
Diluted earnings/(loss) per share	(cents)	**147.9**	90.0
From continuing operations	(cents)	**147.9**	116.3
From discontinued operations	(cents)	**–**	(26.3)

	Notes	Consolidated 2023 R000	2022 R000
27.3 Headline and diluted headline earnings per share			
Headline earnings per share is based on headline profit of		**1 012 425**	859 714
From continuing operations		**1 012 425**	743 230
From discontinued operations		**–**	116 484
Weighted average number of shares in issue for the year	(000s)	**667 223**	666 860
Diluted headline earnings per share is based on the diluted weighted average number of shares in issue for the year	(000s)	**667 750**	667 656
Headline earnings per share			
Basic	(cents)	**151.7**	128.9
From continuing operations	(cents)	**151.7**	111.5
From discontinued operations	(cents)	**–**	17.4
Diluted	(cents)	**151.6**	128.8
From continuing operations	(cents)	**151.6**	111.4
From discontinued operations	(cents)	**–**	17.4

	Consolidated 2023 R000	2022 R000
Headline profit reconciliation:		
Profit/(loss) attributable to ordinary shareholders of the Company	**987 776**	601 081
From continuing operations	**987 776**	776 234
From discontinued operations	**–**	(175 153)
Adjusted for:		
Impairment/(reversal of impairment) of property, terminals, machinery, ship, vehicles and equipment	**(2 166)**	(10 615)
Net impairment of property, terminals, machinery, ship, vehicles and equipment	**(2 166)**	(15 225)
Tax effect	**–**	4 610
Net impairment of intangible assets	**22 727**	–
Net impairment of intangible assets	**29 774**	–
Tax effect	**(7 047)**	–
Net profit on disposal of investments	**(34 226)**	(7 376)
Loss on disposal of business	**257**	–

27. EARNINGS PER SHARE CONTINUED

	Consolidated	
	2023 R000	2022 R000
Net loss/(profit) on scrapping of intangibles, property, terminals, machinery, ship, vehicles and equipment due to KZN floods	**(20 453)**	10 099
Loss on scrapping of intangibles, property, terminals, machinery, ship and vehicles due to KZN floods	**–**	45 211
Impairment of intangibles, property, terminals, machinery, ship, vehicles and equipment due to KZN floods	**–**	5 349
Insurance compensation on property, terminals, machinery, ship, vehicles and equipment impaired and scrapped due to KZN floods	**(21 620)**	(54 115)
Tax effect	**1 167**	13 654
Net profit on disposal of property, terminals, machinery, ship, vehicles and equipment	**(7 965)**	(29 570)
Net profit on disposal of property, terminals, machinery, ship, vehicles and equipment	**(7 965)**	(43 120)
Tax effect	**–**	13 550
Impairment of goodwill*	**137 330**	–
Profit on disposal of non-current assets held for sale and liabilities associated with assets held for sale	**(79 095)**	–
Gross	**(92 758)**	–
Tax effect	**13 663**	–
Foreign currency translation reserve released	**6 549**	–
Joint Ventures:		
Net profit on disposal of investment property, intangibles, property, terminals, machinery, ship, vehicles and equipment	**(3 829)**	(54)
Impairment of intangibles, property, terminals, machinery, ship, vehicles and equipment	**5 520**	4 512
Discontinued operations :		
Net loss on disposal of business	**–**	291 736
Loss on disposal of business	**–**	265 616
Tax effect	**–**	26 120
Net profit on disposal of intangibles, property, terminals, machinery, ship, vehicles and equipment	**–**	(99)
Headline earnings	**1 012 425**	859 714
From continuing operations	**1 012 425**	743 230
From discontinued operations	**–**	116 484

* On 30 June 2023 the goodwill applicable to the Richards Bay Terminals cash generating unit was impaired down to its recoverable amount of Rnil which was assessed based on value in use. Refer to note 4.2.

28. CAPITAL COMMITMENTS

Grindrod's total capital commitments relate to property, terminals, machinery, vehicles and equipment and is inclusive of joint venture at the Group's effective share.

	Consolidated	
	2023 R000	2022 R000
Authorised and contracted for	**179 749**	202 718
Subsidiaries	**116 225**	169 153
Joint ventures	**63 524**	33 565
Authorised and not contracted for	**539 167**	353 114
Subsidiaries	**257 500**	52 490
Joint ventures	**281 667**	300 624
Total	**718 916**	555 832

These commitments will be funded by cash resources, cash generated from operations and bank financing facilities. Grindrod has carried out a detailed liquidity planning exercise and is confident that it has the necessary resources to meet its capital and other commitments.

29. CONTINGENT LIABILITIES

Management is currently in an appeal process with South African Revenue Services in relation to customs VAT on a leased vessel linked to its flagging. Supported by legal and tax advisors, the directors are of the view that the probability of a material liability arising is low.

Cockett is a 50% joint venture to the Group and have the below matters pending:

- Despite settlement in December 2020 of an investigation by Brazilian authorities into Cockett Group, the settlement is still technically subject to review by the Brazilian Federal General Controlling Office. It is not possible to estimate if or when this will happen, but no changes are expected even if such a review would occur. The Cockett Group was under investigation by two other authorities. External legal counsel has been engaged to assist the Cockett Group in responding to such investigations in an open and transparent way and are proactively co-operating with the authorities concerned. One investigation has been dormant for more than four years. The other affected a small subsidiary of the Cockett Group and is now closed. Due to the abovementioned circumstances, any potential exposures (such as fines, penalties or legal costs) are not possible to determine and estimate at this stage.
- Cockett Marine South Africa is currently in legal proceedings with SARS in respect of penalties and custom duties amounting to R350.0 million (at 100%), on fuel exports. Management have repudiated the claims as Cockett Marine South Africa was neither the exporter on record nor did the company ever claim any rebates or refunds for customs duties from SARS, and as such, SARS need to look to the customer for recovery. Supported by legal advice, the directors are of the view that the probability of a material liability arising is low.

30. FOREIGN CURRENCY DENOMINATED ITEMS

All foreign currency denominated items are translated in terms of the Group's policies.

		Consolidated			
		2023		2022	
		Year end rates	Average rates	Year end rates	Average rates
At 31 December the following exchange rates used on conversion were considered material:					
United States Dollar	(USD)	**18.56**	**18.44**	16.98	16.40
Pound Sterling	(GBP)	**23.64**	**22.94**	20.47	20.33
Metical	(MZM)	**0.29**	**0.29**	0.27	0.25
In addition, due to the Group's significant operations in Mozambique, the USD/MZN rate is considered material		**64.60**	**64.24**	63.87	63.85

31. OPERATING LEASES RECEIPTS

The minimum future lease receivables under non-cancellable operating leases are as follows:

	Consolidated			
	1 year R000	2 to 5 years R000	>5 years R000	Total R000
2023				
Properties and other	**97 758**	**137 542**	**172 415**	**407 715**
2022				
Properties and other	43 647	75 206	20 426	139 279

32. CASH FLOW

	Consolidated	
	2023 R000	2022 R000
32.1 Reconciliation of profit before interest, taxation and non-trading items to cash generated from operations		
Profit before interest, taxation and non-trading items	**531 394**	724 762
From continuing operations	**531 394**	618 813
From discontinued operations	**–**	105 949
Adjustments for:		
Depreciation (note 22.2 and 26)	**372 727**	476 004
Share option expense	**3 029**	2 039
Amortisation (note 22.2)	**18 904**	23 596
Non-cash financial instruments and foreign exchange gains	**(45 552)**	35 695
Expected credit loss (note 22.2)	**92 030**	290 430
Fair value losses (note 22.1)	**357 834**	311 357*
Other non-cash items	**124 927**	88 923*
Cash generated from operations before working capital changes	**1 455 293**	1 952 806
Working capital changes:		
Increase in inventories	**(82 081)**	(13 680)
Increase in trade and other receivables	**(7 603)**	(693 523)
(Decrease)/increase in trade and other payables	**(248 449)**	434 868
Receipts from finance lease receivables	**33 085**	7 277
Cash generated from operations	**1 150 245**	1 687 748
32.2 Taxation paid		
Balance at the beginning of the year	**(231 513)**	(46 675)
Current year	**(274 116)**	(386 680)
Current year – discontinued operations	**–**	(26 938)
Foreign exchange translation	**(14 805)**	(8 611)
Businesses disposed	**–**	(16 219)
Business acquired	**(1 628)**	–
Net balance at the end of the year	**54 045**	231 513
Taxation paid	**(468 017)**	(253 610)

* Fair value losses were previously included in other non-cash items but have been disaggregated and reported separately.

32. CASH FLOW CONTINUED

	Consolidated 2023 R000	Consolidated 2022 R000
32.3 Property, terminals, machinery, ship, vehicles and equipment acquired		
Additions – property, terminals, machinery, ship, vehicles and equipment	**(737 709)**	(840 916)
Additions – investment property	**(35 012)**	–
Addition – prepayments on capital expenditure	**(62 320)**	–
Adjusted for non-cash additions:		
Right-of-use asset additions	**52 726**	152 401
Additions through instalment sale agreements	**82 088**	90 445
Non-cash additions	**–**	33 780
Cash flow on acquisition of property, terminals, machinery, ship, vehicles and equipment	**(700 227)**	(564 290)
32.4 Acquisition of joint ventures and other investments		
Investment in joint ventures	**(9 227)**	(32 800)
Total purchase consideration	**(9 227)**	(32 800)
Net cash outflow	**(9 227)**	(32 800)

The current year and prior year acquisition relates to an additional investment in the joint venture in the Logistics segment.

32.5 Disposal of businesses

In the current year, the Group disposed of its entire shareholding in Swift Engineering Proprietary Limited. In addition, Grindrod Rail Cameroon Limited was deregistered.

In the prior year, the Group disposed of its entire shareholding in Grindrod Financial Holdings Limited and Grindrod Bank Limited. The disposal was in line with Grindrod's strategic intent to separate its Freight Services and Banking Services businesses.

	Consolidated 2023 R000	Consolidated 2022 R000
Property, terminals, machinery, ship, vehicles and equipment and right-of-use assets	**313**	9 156
Intangible assets	**6 926**	–
Financial assets	**–**	5 808
Loans and advances	**–**	7 992 789
Other investments	**–**	5 727
Working capital	**(40 636)**	(17 816)
Taxation receivable	**–**	16 219
Deferred taxation	**–**	65 106
Liquid assets and negotiable securities	**–**	5 249 782
Cash and cash equivalents	**5 833**	1 395 554
Long-term borrowings	**(2 896)**	(1 148 412)
Financial liabilities	**–**	(504)
Deposits from Bank customers	**–**	(11 807 325)
Business combination reserve	**–**	(28 574)
Non-controlling interests	**6 408**	–
Total	**(24 052)**	1 737 510
Loss on disposal of investments	**24 052**	(265 616)
Less: financial guarantees raised on disposal		
Advances warranty provision*	**–**	70 000
Other warranty provision*	**–**	15 000
Consideration received	**–**	1 556 894
Less: cash and cash equivalents	**(5 833)**	(1 395 554)
Net cash (outflow)/inflow on disposal	**(5 833)**	161 340
Proceeds received on deferred consideration on the sale of SIRE concluded in the prior year (refer to note 11).	**–**	40 675
Proceeds received on deferred consideration on disposal of the fuel carrier businesses concluded in the prior year	**–**	92 539
	(5 833)	294 554

* Warranties raised in respect of the disposal of Bank. For more detail refer to note 18.

32. CASH FLOW CONTINUED

32.6 Acquisition of businesses

During the year, the group acquired an additional 40,3% interest in RBT Grindrod Terminals Proprietary Limited and also acquired a 51% interest in Zambia Furnace Supplies Limited.

The acquisition of the remaining shareholding in RBT Grindrod Terminals Proprietary Limited is in line with Grindrod's strategic intent to consolidate its bulk terminals operations in Richards Bay and to exit the joint venture partner. Zambia Furnace Supplies Limited was acquired to increase Grindrod's rail service offering in the North South corridor.

Impact of the acquisition on the results of the Group:

From the dates of their acquisition, the acquired businesses contributed losses of R16.6 million and revenue of R156.9 million.

	Consolidated	
	2023 R000	2022 R000
Property, terminals, machinery, vehicles and equipment and right-of-use assets	**(253 828)**	–
Intangible assets	**(54 820)**	–
Inventory	**(6 921)**	–
Trade and other receivables	**(65 645)**	–
Taxation receivable	**(848)**	–
Cash and cash equivalents	**(26 814)**	–
Trade and other payables	**154 217**	–
Long-term borrowings	**111 774**	–
Deferred tax liability	**22 636**	–
Lease liabilities	**33 636**	–
Taxation payable	**2 476**	–
Goodwill arising on acquisition	**(138 936)**	–
Non-controlling interests	**4 547**	–
Fair value of businesses acquired	**(218 526)**	–
Settled as follows:		
Disposal of investment in joint venture and associated receivable	**(129 762)**	–
Profit on disposal of investment in joint venture	**(9 918)**	–
Shareholder loan	**(18 846)**	–
Cash purchase price	**(60 000)**	–
Net cash outflow on acquisition		
Cash purchase price paid	**(60 000)**	–
Less: cash acquired	**26 814**	–
	(33 186)	–

32.7 Reconciliation of borrowings

	Consolidated	
	2023 R000	2022 R000
Opening balance	**(2 104 128)**	(3 319 537)
Transferred to non-current liabilities associated with non-current assets held for sale (note 14)	**(37 006)**	272 108
Disposal of businesses	**2 896**	1 148 411
Acquisition of businesses	**(145 410)**	–
Disposed (settled directly with finance institution)	**155 714**	41 247
Instalment sale agreements raised	**(82 088)**	(90 445)
Non-cash movements in lease liabilities	**(191 790)**	(92 080)
Translation loss	**(39 153)**	(27 179)
Closing balance	**2 356 585**	2 104 128
Net cash (outflow)/inflow	**(84 380)**	36 653
Split as follows:		
Long-term interest-bearing debt raised	**988 090**	1 190 372
Current portion of long-term interest-bearing debt repaid	**(1 068 253)**	(1 088 053)
Short-term interest-bearing debt repaid	**(220 189)**	(241 146)
Short-term interest-bearing debt raised	**215 972**	175 480

32.8 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Consolidated	
	2023 R000	2022 R000
Bank balances and cash	**2 105 909**	2 605 514
Bank and cash balances included in non-current assets held for sale (note 14)	**–**	6
Bank overdrafts (note 16)	**(266 279)**	(410 967)
	1 839 630	2 194 553

33. SHARE-BASED PAYMENTS

Equity-settled share options

Executive directors, senior executives and other employees have been granted equity-settled share options in terms of the Grindrod Limited Forfeitable Share Plan (FSP).

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant and recognised in profit or loss on the straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using a binomial pricing model.

Cash-settled share-based payments

Share appreciation rights granted to employees for services rendered or to be rendered are raised as a liability and recognised in profit or loss immediately or, if vesting requirements are applicable, over the vesting period. The liability is remeasured annually until settled and any changes in value are recognised in profit or loss. Fair value is measured using a binomial pricing model.

Equity-settled forfeitable share plan

During 2012 the group introduced the Grindrod Forfeitable Share Plan (FSP). The scheme allows executive directors and senior employees to earn a long-term incentive to assist with the retention and reward of selected employees.

Shares are granted to employees for no consideration. These shares participate in dividends and shareholder rights from grant date.

The vesting of the shares is subject to continued employment for a period of three, four and five years or the employee will forfeit the shares.

On resignation, the employee will forfeit any unvested shares. On death or retirement only a portion of the shares will vest, calculated based on the number of months worked over the total vesting period.

In terms of IFRS 2, the transaction is measured at the fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to dividends from the grant date.

The fair value of the equity-settled shares subject to non-market conditions is the average share price at grant date.

There were 600 000 (2022: 900 000) equity-settled shares issued in the current year.

Cash-settled share-based payments

The group issues to certain employees share appreciation rights (SAR) that require the group to pay the intrinsic value of the SAR to the employee at the date of exercise.

The fair values were calculated using a stochastic model based on the standard binomial options pricing model.

This model has been modified to take into account early exercise opportunities and expected employee exercise behaviour.

The inputs into the model were as follows:

		Consolidated	
		2023 R000	**2022 R000**
Share price	cents	**1 112**	1 000
Expected rolling volatility			
Three-year expected option lifetime	(%)	**37.1**	46.7
Four-year expected option lifetime	(%)	**42.7**	47.0
Five-year expected option lifetime	(%)	**43.8**	46.1
Expected option lifetime			
Vesting periods three	years	**3**	3
Vesting periods four	years	**4**	4
Vesting periods five	years	**5**	5
Risk-free rate based on zero-coupon government bond yield			
Three-year expected option lifetime	(%)	**8.7**	8.8
Four-year expected option lifetime	(%)	**8.7**	8.8
Five-year expected option lifetime	(%)	**10.6**	8.8
Expected dividend yield	(%)	**4.0**	3.7

Refer to note 18 for details of the provision raised for cash-settled share-based scheme.

The reconciliations of the FSP's and SAR's issued are included in the Directors' emoluments in note 37.

34. RELATED PARTY TRANSACTIONS AND BALANCES

During each year, the group, in the ordinary course of business, enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.

	Consolidated			
	Other related parties R000	Associates R000	Joint ventures R000	Amounts due by related party R000
2023				
Goods and services sold to:				
Cockett Marine Oil Pte Limited	–	–	4 638	2 294
France Rail Industry South Africa Proprietary Limited*	761	–	–	18 772
GPR Leasing Africa	–	–	11 784	89 256
Grindrod Rail Consultancy Services Proprietary Limited	–	–	25 102	18 053
Grindrod Logistics Proprietary Limited	–	–	210 437	316 558
Grindrod Namibia Stevedoring Proprietary Limited	–	444	–	14
Grindways Logistics Limited	–	–	33 340	38 152
Maputo Intermodal Container Depot SA	–	–	443	78 119
NLPI Limited	–	–	35 120	28 122
Portus Indico-Sociedade de Servicos Portuarios SA	–	–	159 785	–
Railco Africa Limited	–	–	8 496	1 052
Röhlig-Grindrod Proprietary Limited	–	–	88 148	4 582
S Masiza Estate**	1 587	–	–	–
Terminal De Carvao da Matola Limitada	–	–	124 380	8 237
	2 348	444	701 673	603 211

* ZP Zatu Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.
** S Masiza Estate holds a non-controlling interest in one the Group's subsidiaries.

	Associates R000	Joint ventures R000	Amounts due to related party R000
Goods and services purchased from:			
Cockett Marine Oil Pte Limited	–	(1 766)	–
GPR Leasing Africa	–	–	(37 316)
Grindrod Rail Consultancy Services Proprietary Limited	–	(4 706)	(6 219)
Grindrod Logistics Proprietary Limited	–	(15 490)	(9 109)
Grindrod Namibia Stevedoring Proprietary Limited	(4 046)	–	(751)
NLPI Limited	–	(774)	(780)
Röhlig-Grindrod Proprietary Limited	–	–	(8 296)
Terminal De Carvao da Matola Limitada	–	(3 887)	(8)
	(4 046)	(26 623)	(62 479)

34. RELATED PARTY TRANSACTIONS AND BALANCES CONTINUED

	Consolidated			
	Other related parties R000	Associates R000	Joint ventures R000	Amounts due by related party R000
2022				
Goods and services sold to:				
Cockett Marine Oil Pte Limited	–	–	4 153	2 122
France Rail Industry South Africa Proprietary Limited*	751	–	–	–
GPR Leasing Africa	–	–	2 854	97 817
GPR Leasing SA Proprietary Limited	–	–	679	–
Grindrod Rail Consultancy Services Proprietary Limited	–	–	47 208	45 410
Grindrod Namibia Stevedoring Proprietary Limited	–	358	–	–
Interest earned on loans to associates	–	77 269	–	–
Maputo Intermodal Container Depot SA	–	–	95	86 494
NLPI Limited	–	–	20 614	8 347
Portus Indico-Sociedade de Servicos Portuarios SA	–	–	134 693	–
Railco Africa Limited	–	–	9 102	74 644
RBT Grindrod Terminals Proprietary Limited	–	–	58 288	185 901
RBT Resources Proprietary Limited	–	–	18 273	–
Röhlig-Grindrod Proprietary Limited	–	–	40 642	2 335
S Masiza Estate^	1 140	–	–	11 784
Terminal De Carvao da Matola Limitada	–	–	284 933	1 325
WJ Grindrod and C Grindrod**	32 736	–	–	–
	34 627	77 627	621 534	516 179

* ZP Zatu Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.

** WJ Grindrod, a non-executive director of Grindrod, and C Grindrod, purchased a UK residential property from the Group. The purchase price agreed was within the range of two valuations performed by independent valuers. The transaction was reviewed by the Group's lead independent non-executive director. The gross purchase price amounted to £1 650 000 (R35 564 265). The Company finalised the regulatory requirements of this transaction, as announced on SENS on 3 April 2023.

^ S Masiza Estate holds a non-controlling interest in one the Group's subsidiaries.

	Associates R000	Joint ventures R000	Amounts due to related party R000
Goods and services purchased from:			
Cockett Marine Oil Pte Limited	–	(52 234)	(4 792)
Grindrod Namibia Stevedoring Proprietary Limited	(6 627)	–	(151)
GPR Leasing Africa	–	(43 554)	(10 152)
Grindrod Rail Consultancy Services Proprietary Limited	–	(298)	(25 326)
Grindways Logistics Limited	–	–	(8 490)
NLPI Limited	–	–	(506)
RBT Grindrod Terminals Proprietary Limited	–	–	(277)
Röhlig-Grindrod Proprietary Limited	–	–	(2 695)
Terminal Carvao de Matola Limitada	–	–	(984)
	(6 627)	(96 086)	(53 373)

Joint ventures

Details of interests in joint ventures are set out in note 5.

Associates

Details of material investments in associates are set out in note 6.

Directors

Details of Directors' interests in the Company and Directors' emoluments are set out in note 37.

Details of balances due by/(to) Directors are disclosed in note 37.

Shareholders

The principal shareholders of the Company are detailed in the share analysis from page 75 and 76.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal risks to which the Group is exposed through financial instruments are:

- foreign currency risk;
- commodity and concentration risk;
- interest rate risk;
- credit risk;
- liquidity risk; and
- capital risk management.

The Group's overall strategy with regard to liquidity and financial risk is guided by the corporate objective to maximise the Group's cash flow, actively manage its risk and reduce earnings volatility in a cost effective manner.

Divisional and Group treasury aim to negotiate better rates for borrowings and avoid restrictive covenants, which limit the Board's flexibility to act. The Group also aims to minimise transaction charges from the Company's banks, maximise interest income and minimise interest cost through efficient cash management practices.

Treasury function

The treasury function incorporates the following main sections:

- foreign exchange management;
- cash management;
- funding and liquidity management;
- counterparty and credit risk management;
- interest rate exposure management; and
- bank relationship management.

Treasury risk management

Treasury risks are managed through the implementation of effective policies and regular interactions between the Group and divisional treasuries. In addition Group treasury performs the following functions:

- forecast liquidity and funding requirements;
- foreign exchange cover levels based on the exchange rate views;
- performance of market risk management;
- interest rate exposure and cover levels; and
- reporting on divisional treasury positions.

The treasury manager together with the divisional executives are responsible for the ultimate approval of day-to-day treasury activities, and reporting on treasury matters.

Executive committee

The executive committee reviews all treasury related proposals and strategies that require Board approval prior to submission.

Board of directors

The Board of directors is the highest approval authority for all treasury matters. Material changes to the policies and treasury matters as determined by the Group's limits of authority are required to be submitted to the Board.

35.1 Financial instruments by category and fair value hierarchy

The Group's financial instruments consist mainly of cash deposits with banks, investments, finance lease receivables, trade and other receivables and payables, bank borrowings and loans to and from subsidiaries.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable or based on observable inputs:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Levels 2 and 3 fair values were determined by applying either a combination of, or one of the following, valuation techniques:

- Projected unit method; and/or
- Independently observable market prices; and/or
- The net asset value of the underlying investments; and/or
- A price earnings multiple or a discounted projected income/present value approach; and/or
- Market-related interest rate yield curves to discount expected future cash flows; and/or
- Any additional revenue arrangements valued per the specified arrangement based on the specified underlying asset.

The specified underlying assets include property and unlisted investments supported by management valuation.

The fair value measurement based on the income approach uses key inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassesses the earnings or yield multiples at least annually based on its assessment of the macroeconomic and microeconomic environments.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

2023	Carrying value R000	Fair value Level 1 R000	Fair value Level 2 R000	Fair value Level 3 R000	Amortised cost^ R000	Other non-financial instruments R000
Financial instruments						
Cash and cash equivalents	**2 105 909**	**–**	**–**	**–**	**2 105 909**	**–**
Money market funds	**416 336**	**–**	**–**	**–**	**416 336**	**–**
Other investments	**203 620**	**52 089**	**96 378^^**	**38 199**	**16 954**	**–**
Finance lease receivables	**512 436**	**–**	**–**	**–**	**512 436**	**–**
Loans and advances	**1 014 288**	**–**	**–**	**842 500**	**171 788**	**–**
Long-term receivable	**253 589**	**–**	**–**	**–**	**253 589**	**–**
Trade and other receivables	**1 660 150**	**–**	**–**	**–**	**1 361 031**	**299 119**
Borrowings	**(2 622 863)**	**–**	**–**	**–**	**(2 622 863)**	**–**
Trade and other payables	**(1 677 816)**	**–**	**–**	**–**	**(1 318 348)**	**(359 468)**
Provisions and other liabilities	**(225 203)**	**–**	**–**	**–**	**(135 400)**	**(89 803)**
Total		**52 089**	**96 378**	**880 699**	**761 432**	**(150 152)**

^ Carrying value approximates fair value.

2022*	Carrying value R000	Fair value Level 1 R000	Fair value Level 2 R000	Fair value Level 3 R000	Amortised cost^ R000	Other non-financial instruments R000
Financial instruments						
Cash and cash equivalents**	2 605 520	–	–	–	2 605 520	–
Other investments**	574 200	58 554	92 982^^	299 641	123 023	–
Finance lease receivables	133 361	–	–	–	133 361	–
Loans and advances	1 072 958	–	–	935 500	137 458	–
Long-term receivable	204 950	–	–	–	204 950	–
Trade and other receivables**	1 891 624	–	–	–	1 593 265	298 359
Borrowings**	(2 787 202)	–	–	–	(2 787 202)	–
Trade and other payables**	(1 754 307)	–	–	–	(1 262 621)	(491 686)
Provisions	(180 675)	–	–	–	(85 000)	(95 675)
Total		58 554	92 982	1 235 141	662 754	(289 002)

* Prior year figures have been restated for the removal of investment property which is now accounted for under the cost model.
^ Carrying value approximates fair value.
** Includes balances disclosed as held for sale. Refer to note 14.
^^ Refer to note 19 for details of the pension fund.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.1 Financial instruments by category and fair value hierarchy continued

Reconciliation of Level 3 fair value measurements of financial assets

	2023 Level 3 R000	Restated 2022* Level 3 R000
Opening balance	**1 235 141**	3 223 657
Purchases	**–**	310 892
Settlements	**(5 540)**	(371 461)
Disposal of business	**(6 430)**	(1 699 208)
Total gains/(losses) recognised in:		
– Consolidated statement of other comprehensive income	**3 353**	(1 504)
– Consolidated income statement	**(345 825)**	(227 235)
Closing balance	**880 699**	1 235 141

* Prior year figures have been restated for the removal of investment property which is now accounted for under the cost model.

Fair value losses recognised in the statement of comprehensive income for Level 3 financial instruments were R342.5 million (2022: R228.7 million).

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.1 Financial instruments by category and fair value hierarchy continued

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements for material investments:

Material investment's principal activity	Fair value at 31 December 2023 R000	Fair value at 31 December 2022 R000	Valuation method	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Asset financing (35.07% shareholding in Mokoro Holding Company Proprietary Limited)^	–	241 000	Adjusted net asset value^^	Adjusted net asset value	Adjusted net asset value	Adjusted net asset value
North Coast Property loan**	**842 500***	935 500*	Monte Carlo simulation	Combined property valuation determining rate per hectare, discount rate and time to maturity	Rate per hectare determined per expert valuation (commercial/residential)	The total value of the two properties held as security for the loan ranges from R2.7 billion to R3.0 billion based on independent valuations.* These valuations together with the Group's mortgage bonds were inputs into a Monte Carlo simulation to determine an independent valuation range between R0.5 billion and R1.2 billion on the loan. Increase of rate per hectare by 10% would increase fair value (FV) by R163.4 million. Decrease of rate per hectare by 10% would decrease FV by R165.3 million.
				Discount rate	10.5% – 16.5%	Decrease of 2% on the discount rate to a range of 8.5% to 14.5% would increase the FV by R78.3 million. Increase of 2% on the discount rate to a range of 12.5% to 18.5% would decrease the FV by R72.9 million.
				Time to Maturity ("TTM")	2 – 3 years	Decrease of 6 months to a range of 1.5 to 2.5 years would increase the FV by R88.0 million. Increase of 6 months to a range of 2.5 to 3.5 years would decrease the FV by R92.3 million.

^ On 1 July 2023, a long-term debt funding arrangement was restructured to facilitate a repayment, reducing the quantum of the loan as well as to revise the underlying securities provided to the funder. Any proceeds on realising this investment now forms part of the revised security under the new arrangement.

^^ Due to negative industry/market factors, a liquidity challenge arose in the latter part of the current year and the investee defaulted on funding repayments as at 31 December 2023. Accordingly, an adjusted net asset value is considered the most appropriate valuation benchmark (2022: price multiple approach). Adjustments relate to increased credit losses applied on the financing book. The Group does not guarantee any of the debts in the business.

* The two properties are held as security for the fair value loan of R842.5 million (2022: R935.5 million) per the table above, as well as amortised cost loans of R153.0 million (2022: R137.5 million).

** During the year, a cross-default arose on the fair value loan. The borrower provided guarantees to another lender for a loan that was in default and the lender called on the guarantee, which was not settled. Accordingly, the lender issued a letter of demand. Due to the cross-default Grindrod has also issued a letter of demand on the fair value loan.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.1 Financial instruments by category and fair value hierarchy continued

Valuation process

The Group's finance and corporate finance teams perform valuations on certain assets for financial reporting purposes.

The valuation input, assumptions, methodology and outputs are then challenged and debated with the Group Financial Director (FD) prior to approval. Teams present their valuations for significant investments to the FD who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the FD and the respective teams at least once every six months, in line with the Group's half-yearly reporting periods. Any resulting adjustments to the carrying value will follow the internal approval process.

North Coast properties, being security on the lending, are assessed by an independent valuation professional and the option pricing model for the assessment of fair value is performed by an independent expert.

The main four inputs used by the Group in measuring the fair value of financial instruments are:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset;
- Risk adjustments: these are specific to the counterparties (including assumptions about credit default rates) and are derived from the market assumptions on the operational environment and other factors affecting the investment;
- Earnings growth factor for unlisted investments: these are estimated based on market information for similar types of companies or historical growth patterns; and
- Independent expert valuations: valuations were conducted by registered independent experts using both the market approach and investment method.

35.2 Foreign currency risk

The objective of the foreign exchange exposure management policy is to ensure that all foreign exchange exposures are identified as early as possible and that the identified exposures are actively managed to reduce risk. All exposures are to reflect underlying foreign currency commitments arising from trade and, or foreign currency finance. Under no circumstances are speculative positions, not supported by normal trade flows, permitted.

The Group is subject to economic exposure, transaction exposure and translation exposure.

- Economic exposure consists of planned net foreign currency trade in goods and services not yet manifested in the form of actual invoices and orders. Economic exposure is initially identified at the time of budget preparation and is progressively reviewed on a quarterly basis at the time of each budget revision.
- Transaction exposure consists of all transactions entered into which will result in a flow of cash in foreign currency at a future time, such as payments under foreign currency, long and short-term loan liabilities, purchases and sales of goods and services (from invoice date to cash payment or receipt), capital expenditure (from approval date until cash payment) and dividends (from declaration date to payment date). Commercial transactions shall only be entered in currencies that are readily convertible by means of formal external forward contracts.
- Translation exposure relates to the Group's investments and earnings in non-ZAR currencies which are translated in the ZAR reporting currency. Translation exposure is not hedged.

The Group's policy is to forward cover all trade commitments that are not hedged by a foreign currency revenue stream and to cover the Rand funded element of material capital commitments.

Foreign monetary items are converted to Rands at the rate of exchange ruling at the financial reporting date. Derivative instruments are valued with reference to forward exchange rates from the year-end to settlement date, as provided by independent financial institutions.

Foreign currency balances

The uncovered USD foreign currency denominated balances at 31 December were as follows:

	Consolidated			
USD	2023 US$000	2023 R000	2022 US$000	2022 R000
Finance lease receivables	**11 038**	**204 861**	6 077	103 187
Trade and other receivables	**33 935**	**629 835**	34 987	594 087
Cash and cash equivalents	**34 189**	**634 550**	48 702	826 953
Money market funds	**22 432**	**416 336**	–	–
Trade and other payables	**(22 200)**	**(412 035)**	(28 050)	(476 288)
Lease liabilities	**(9 930)**	**(184 301)**	(17 427)	(295 915)
Loans	**(15 752)**	**(292 357)**	(4 405)	(74 791)
	53 712	**996 889**	39 884	677 233

The uncovered Pound foreign currency denominated balances at 31 December were as follows:

	Consolidated			
Pound	2023 £000	2023 R000	2022 £000	2022 R000
Long-term receivable	**10 727**	**253 589**	10 012	204 950
Cash and cash equivalents	**775**	**18 330**	775	15 872
Trade and other payables	**(434)**	**(10 262)**	–	–
Investments	**–**	**–**	(434)	(8 886)
	11 068	**261 657**	10 353	211 936

The uncovered Metical foreign currency denominated balances at 31 December were as follows:

	Consolidated			
Metical	2023 MZM000	2023 R000	2022 MZM000	2022 R000
Trade and other receivables	**447 600**	**129 804**	473 622	125 796
Cash and cash equivalents	**614 969**	**178 341**	586 419	155 755
Trade and other payables	**(374 969)**	**(108 741)**	(322 249)	(85 590)
	687 600	**199 404**	737 792	195 961

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.2 Foreign currency risk continued

Foreign currency balances continued

The uncovered other foreign currency denominated balances at 31 December were as follows:

Other currencies*	Consolidated 2023 R000	2022 R000
Trade and other receivables	**48 923**	85 780
Cash and cash equivalents	**73 130**	54 418
Trade and other payables	**(158 367)**	(118 375)
Lease liabilities	**(3 210)**	(2 092)
	(39 524)	19 731

* Other currencies consists mainly of AUD.

Sensitivity analysis

At year-end the sensitivity of the net open exposure on the trading profit is as follows:

Net exposure	Consolidated 2023 R000	2022 R000
+10% in exchange rate	**140 740**	110 486
-10% in exchange rate	**(140 740)**	(110 486)

35.3 Interest rate risk

35.3.1 Interest rate risk of the Group

The Group monitors its exposure to fluctuating interest rates and generally enters into contracts that are linked to market rates relative to the currency of the asset or liability. The Group makes use of derivative instruments, such as interest rate swaps to manage this exposure, from time to time.

The interest rate profile of the Group, excluding lease liabilities that are not linked to variable interest rates, is summarised as follows:

	Consolidated 2023 R000	2022 R000
Loans linked to LIBOR	**91 602**	74 812
Loans linked to SA prime rate	**909 496**	825 445
Loans linked to JIBAR	**516 921**	596 129
Loans linked to SOFR	**198 460**	–
Loans linked to Bank of Zambia policy rate	**2 289**	–
Short-term borrowings linked to SA prime rate	**266 279**	410 967
	1 985 047	1 907 353

Full details of the interest rate profile of long-term borrowings is set out in the schedule of loan funds on note 16.

The range of interest rates in respect of all non-current borrowings comprising both fixed and floating rate obligations at 31 December 2023 is as follows: local rates are between 6.5% and 11.8% (2022: 6.2% and 9.5%), foreign rates are between 3.1% and 19.5% (2022: 5.8% and 6.5%). Floating rates of interest are based on LIBOR (London inter-bank offered rate – for USD borrowings) or SOFR (secured overnight financing rate – for USD borrowings) and on JIBAR (Johannesburg inter-bank agreed rate – for SA borrowings). Fixed rates of interest are based on contract rates.

Not all lenders for loans currently linked to LIBOR have yet transitioned the borrowing costs to the SOFR.

Sensitivity analysis

At year-end the sensitivity of the net debt exposure of floating interest rates on the profit is as follows:

Net exposure	Consolidated 2023 R000	2022 R000
+50 BPS (2022: +50 BPS)	**2 686**	3 491
-50 BPS (2022: -50 BPS)	**(2 686)**	(3 491)

35.4 Credit risk

Credit risk refers to the risk of financial loss resulting from failure of a counterparty to an asset, for any reason, to fully honour its financial and contractual obligations. Potential areas of credit risk consist of cash and cash equivalents, trade receivables and other receivables. The Group limits its exposure in relation to cash balances by only dealing with well-established financial institutions of high quality credit standing. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Trade and other receivables

The Group aims to minimise loss caused by default of our customers through specific Group-wide policies and procedures. Compliance with these policies and procedures is the responsibility of the divisional and other financial managers. All known risks are required to be fully disclosed and accounted for and are provided against as doubtful debts.

The Group considers the trade debtor in default when payment is not made when they are contractually due. Trade debtors are only written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include objective evidence that the collection of the amount is doubtful, failure of the debtor to engage in a repayment plan and a failure to make contractual payments for a period greater than 120 days old (90 days past due).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.4 Credit risk continued

Credit risk management continued

Trade and other receivables continued

The Expected Credit Losses (ECL) on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for following the factors:

General macroeconomic conditions such as:

- South African GDP;
- Global commodity indices;
- Socio-economic factors;
- GDP performance of the countries we operate in; and/or
- Natural disasters (floods).

Entity-specific microeconomic conditions in the geographies that we operate in such as:

- Industry performance;
- Any other publicly available information regarding our customers;
- Credit quality of our customers; and/or
- Collateral or security held.

An assessment of both the current as well as the forecast direction of conditions at the reporting date, including time-value of money where appropriate.

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

On that basis, the loss allowance as at 31 December 2023 was determined as follows for trade and other receivables:

31 December 2023		Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total	Specific provision	Total including specific
Expected loss rate		**0.7%**	**1.4%**	**3.8%**	**29.3%**	**22.5%**			
Gross carrying amount	(R000)	**636 535**	**269 008**	**95 160**	**28 890**	**158 670**	**1 188 263**	**230 259**	**1 418 522**
Loss allowance excluding specific provisions	(R000)	**4 242**	**3 814**	**3 586**	**8 451**	**35 628**	**55 721**	**–**	**55 721**
Specific allowance	(R000)	**–**	**–**	**–**	**–**	**–**	**–**	**230 259**	**230 259**
Total provision	(R000)	**4 242**	**3 814**	**3 586**	**8 451**	**35 628**	**55 721**	**230 259**	**285 980**

31 December 2022		Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total	Specific provision	Total including specific
Expected loss rate		0.1%	0.4%	0.7%	1.9%	11.4%			
Gross carrying amount	(R000)	849 019	226 358	81 155	25 791	234 081	1 416 404	235 286	1 651 690
Loss allowance excluding specific provisions	(R000)	1 116	850	532	482	26 698	29 678	–	29 678
Specific allowance	(R000)	–	–	–	–	–	–	235 286	235 286
Total provision	(R000)	1 116	850	532	482	26 698	29 678	235 286	264 964

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.4 Credit risk continued

Expected loss rate is calculated as follows:

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due
Historical loss rate	**0.1%**	**0.3%**	**0.7%**	**16.4%**	**7.9%**
Adjusted for:					
Macroeconomic factors	**0.1%**	**0.1%**	**0.3%**	**0.6%**	**4.4%**
Micro/Entity specific factors	**0.5%**	**1.0%**	**2.8%**	**12.3%**	**10.2%**
Expected loss rate (excluding specific provisions)	**0.7%**	**1.4%**	**3.8%**	**29.3%**	**22.5%**

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due
Historical loss rate	0.1%	0.3%	0.5%	1.8%	10.8%
Adjusted for:					
Macroeconomic factors	0.0%	0.1%	0.1%	0.1%	0.1%
Micro/Entity specific factors	0.0%	0.0%	0.1%	0.0%	0.5%
Expected loss rate (excluding specific provisions)	0.1%	0.4%	0.7%	1.9%	11.4%

The expected loss rate is based on the lifetime expected credit losses as the Group applies the simplified approach in determining expected credit losses. Where there is objective evidence that a trade and other receivables is impaired, the credit loss is assessed specific to the respective balance and the expected loss rate is not applied.

The Group has not changed the estimation techniques or significant assumptions during the reporting period.

Expected loss sensitivity

A 10% increase in the expected loss rate due to macroeconomic factors will result in additional exposure per category as follows:

31 December 2023	Current R000	More than 30 days past due R000	More than 60 days past due R000	More than 90 days past due R000	More than 120 days past due R000	Total R000
Carrying amount of trade and other receivables (excluding those specifically impaired)	**636 535**	**269 008**	**95 160**	**28 890**	**158 670**	**1 188 263**
Additional loss allowance	**33**	**27**	**30**	**18**	**702**	**810**

31 December 2022	Current R000	More than 30 days past due R000	More than 60 days past due R000	More than 90 days past due R000	More than 120 days past due R000	Total R000
Carrying amount of trade and other receivables (excluding those specifically impaired)	849 019	226 358	81 155	25 791	234 081	1 416 404
Additional loss allowance	11	31	7	2	29	80

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.4 Credit risk continued

The expected credit loss allowances for trade receivables, receivables from joint ventures and deferred consideration on disposal of businesses as at 31 December, reconcile as follows:

	Consolidated 2023 R000	2022 R000
Opening loss allowance at 1 January	**288 779**	640 101
Increase in allowance on trade debtors	**107 142**	20 143
Allowance utilised	**(88 405)**	(365 126)
Translation of foreign entities	**2 279**	(6 339)
Closing loss allowance at 31 December	**309 795**	288 779

ECL on receivables from joint ventures

Receivables from joint ventures are repayable on demand. The inputs used by management in assessing the ECL include default and credit history, historical data and forecast cash flows. The assessment performed on these inputs supported a Rnil ECL as we expect to recover all loans in full. At year-end, the respective joint ventures had cash available of R40.5 million (2022: R61.3 million) at Grindrod effective share.

ECL on deferred consideration on disposal of businesses

The inputs used by management in assessing the ECL include probability of default, credit history, security held and forecast cash flows. The assessment performed on these inputs resulted in an ECL of R23.8 million (2022: R23.8 million) at year end. The deferred receivable is fully provided for.

ECL on loans and advances

Refer to note 4.2 for the accounting policy on loans and advances. The ECL for loans and advances as at 31 December, reconcile as follows:

	Stage 1 12-month ECL R000	Stage 2 Lifetime ECL R000	Stage 3 Lifetime ECL R000	Total R000
2023*				
Gross carrying amount	**181 153**	**–**	**–**	**181 153**
Less: ECL allowance	**(9 365)**	**–**	**–**	**(9 365)**
Net carrying amount	**171 788**	**–**	**–**	**171 788**
2022*				
Gross carrying amount	161 935	–	–	161 935
Less: ECL allowance	(24 477)	–	–	(24 477)
Net carrying amount	137 458	–	–	137 458

* The exposure to credit risk is related to the KZN property-backed loans held at amortised cost.

Loans and advances	Stage 1 R000	Stage 2 R000	Stage 3 R000	Total R000
ECL allowance at 1 January 2023	**24 477**	**–**	**–**	**24 477**
Subsequent changes in ECL	**(15 112)**	**–**	**–**	**(15 112)**
Total net profit or loss charge during the period	**(15 112)**	**–**	**–**	**(15 112)**
Loss allowance as at 31 December 2023	**9 365**	**–**	**–**	**9 365**

Credit risk management

Credit risk is monitored at an individual and at an aggregated group exposure level.

The Group does not have material netting arrangements and it does not currently use credit derivatives to mitigate credit risk.

The Group values property assets on a periodical basis using a desktop approach and independent valuations are performed where appropriate or necessary. The value of listed assets is tracked on an ongoing basis and unlisted investments and other security assets are valued periodically where significant reliance is placed on the security.

Exposure to credit risk

Maximum exposure to credit risk at the reporting period is stated before taking into account any collateral or other credit enhancement and after taking into account impairments and netting where applicable.
For financial assets recognised in the statement of financial position, the maximum exposure to credit risk equals the carrying amount. For financial commitments and guarantees, the maximum exposure to credit risk is the maximum amount the Group would have to pay to perform in terms of the contract.

The ECL takes into account the property sector outlook as the majority of the loans and advances are property backed. Due to the lack of growth in South Africa, in which the majority of loans and advances are exposed, a conservative view on the growth in the property industry in assessing the ECL was taken into account.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.4 Credit risk continued

	Consolidated 2023 R000	Restated 2022 R000
Maximum credit risk exposure to the group is:		
Other investments	**23 496**	363 446
Finance lease receivables	**512 436**	133 361
Loans and advances	**1 399 184**	1 379 966
Long-term receivable	**253 589**	204 950
Trade and other receivables before allowance for doubtful debts	**1 665 014**	1 882 044
Cash and cash equivalents	**2 105 909**	2 605 514
Money market funds	**416 336**	–
	6 375 964	6 569 281

* Restated to include credit risk exposure on finance lease receivables and the long-term receivable and to exclude the equity component of other investments.

The table above excludes loans capitalised to joint ventures and associates of R227.7 million (2022: R207.1 million). Management has assessed these loans for credit risk and noted no impairment.

35.5 Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The directors may from time to time at their discretion raise or borrow monies for the purpose of the Group as they deem fit. There are no borrowing limits in the Memorandum of Incorporation of the Company or its subsidiaries.

Daily cash management systems are in place with the three local banks in order to optimise the Group's short-term net cash position.

To ensure access to additional funding and hedging facilities, Grindrod maintains relationships with a number of existing and potential funding banks and procures additional facilities where required. Negotiations of facilities are considered carefully to limit the potential restrictions imposed as a result of financial covenants and margining requirements. Contingency funding capacity in the form of committed but undrawn on-demand facilities is maintained.

The Board regularly reviews and monitors the liquidity position and covenants of the Group. There has been no breach of the Group covenants at year-end and at the date of approval of Annual Financial Statements.

Group liquidity analysis (excluding Private Equity and non-current liabilities associated non-current assets held for sale)

The undiscounted contractual maturities of the Group's financial liabilities are as follows excluding private equity and non-current liabilities associated with non-current assets held for sale:

2023	<3 months R000	>3 months <6 months R000	>6 months <1 year R000	>1 year <3 years R000	>3 year <5 years R000	>5 years R000	Total R000
Liabilities							
Provisions and other liabilities	**–**	**–**	**–**	**–**	**135 400**	**–**	**135 400**
Trade and other payables	**1 318 348**	**–**	**–**	**–**	**–**	**–**	**1 318 348**
Interest-bearing debt	**82 303**	**61 117**	**138 413**	**1 121 509**	**1 057 263**	**222 809**	**2 683 414**
Lease liabilities	**59 959**	**37 692**	**54 072**	**208 699**	**196 379**	**339 270**	**896 071**
Short-term borrowings and bank overdraft	**266 279**	**–**	**–**	**–**	**–**	**–**	**266 279**
	1 726 889	**98 809**	**192 485**	**1 330 208**	**1 389 042**	**562 079**	**5 299 512**

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.5 Liquidity risk continued

2022 Restated	<3 months R000	>3 months <6 months R000	>6 months <1 year R000	>1 year <3 years R000	>3 year <5 years R000	>5 years R000	Total R000
Liabilities							
Provisions and other liabilities*	–	–	–	–	85 000	–	85 000
Trade and other payables*	1 262 621	–	–	–	–	–	1 262 621
Interest-bearing debt	47 724	37 126	220 707	643 592	525 165	255 945	1 730 259
Lease liabilities	51 034	34 317	106 670	130 104	130 461	361 025	813 611
Short-term borrowings and bank overdraft	410 967	–	–	–	–	–	410 967
	1 772 346	71 443	327 377	773 696	740 626	616 970	4 302 458

* In the prior year certain liabilities that did not constitute financial instruments were erroneously included in the liquidity analysis. This has now been corrected to exclude such balances in the restated amounts.

Group liquidity analysis (Private Equity)

2023	<3 months R000	>3 months <6 months R000	>6 months <1 year R000	>1 year <5 years R000	>5 years R000	Non-contractual R000	Total R000
Liabilities							
Trade and other payables	**5 637**	**–**	**–**	**–**	**–**	**–**	**5 637**
Interest-bearing debt	**–**	**–**	**–**	**120 653**	**–**	**–**	**120 653**
	5 637	**–**	**–**	**120 653**	**–**	**–**	**126 290**

2022	<3 months R000	>3 months <6 months R000	>6 months <1 year R000	>1 year <5 years R000	>5 years R000	Non-contractual R000	Total R000
Liabilities							
Trade and other payables	45 420	–	–	–	–	–	45 420
Interest-bearing debt	–	–	68 973	108 924	–	–	177 897
	45 420	–	68 973	108 924	–	–	223 317

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

35.6 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16 and 17, respectively, money market funds, cash and cash equivalents and equity attributable to equity holders of Grindrod, comprising share capital, reserves and accumulated profit as disclosed in the statement of changes in equity.

Gearing ratio

The Group reviews the capital structure on a quarterly basis. As part of the review, the Group considers the cost of capital and the risks associated with each class of capital.

The Group defines net debt as being comprised of borrowings, less money market funds, cash and cash equivalents and assets classified as held for sale. The gearing ratio at year end was:

	Consolidated	
	2023 R000	2022 R000
Debt	**2 622 863**	2 787 202*
Cash and cash equivalents	**(2 105 909)**	(2 605 520)
Money market funds	**(416 336)**	–
Net debt	**100 618**	181 682
Total equity	**9 878 097**	8 821 462
Net debt to equity ratio	**1.0%**	2.1%

* Included in debt are lease liabilities from non-current liabilities held for sale.

35.7 Commodity and concentration risk

Grindrod's Port and Terminals and Logistics divisions are exposed to the risks of customer concentration and continued cyclical commodity demand and prices, which results in volatility in asset-utilisation and resultant earnings.

Commodity price exposure is managed by senior management. Main risk exposures are thermal coal, iron ore and copper.

Grindrod manages the risk through well defined risk tolerance levels and diversification strategies namely customer, commodity and geographic diversification.

Grindrod has material exposure to property mainly as security to the loans and advances. Any variation to the valuations of the properties will have an impact on the security cover.

36. LEASES

The Group leases various shipping vessels, long-term port concession, offices, warehouses, equipment and vehicles.

Accordingly, IFRS 16 Leases results in the recognition of right-of-use assets and corresponding liabilities on the basis of the discounted remaining future minimum lease payments relating to existing and new time chartered-in vessel commitments; rental agreements relating to office and residential properties that were previously reported as operating leases and long-term Port and Terminal concession, mainly in Mozambique, adjusted for prepayments and accrued lease payments.

Lease expenses, except for, leases less than 12 months, are not recorded in trading profit but result in depreciation and interest expenses.

The weighted average incremental borrowing rates applied are based on the US dollar London Inter-bank Offered Rate (LIBOR), for the ship charters and leases in the foreign operations, or prime rates of interest, for South African businesses, adjusted for risk factors. The right-of-use assets are then depreciated on a straight-line basis over the term of each lease or concession.

The Group is exposed to potential future increases in variable lease payments based on an index or rate,which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Grindrod recognises, on a discounted basis, the rights and obligations created by the commitment to lease assets on the statement of financial position, unless the term of the lease is less than 12 months or of low value, i.e. R75 000 or less.

Grindrod does not have any sale and leaseback transactions and any residual value guarantees.

	Consolidated	
	2023 R000	2022 R000
The following amounts included in the statement of financial position relate to leases:		
Right-of-use asset		
Vehicles and equipment	**18 312**	18 343
Leasehold land and buildings	**273 089**	300 731
Concessions	**140 415**	162 542
Ships	**49 911**	155 237
	481 727	636 853
Vehicles and equipment transferred to non-current assets held for sale (note 14)	**–**	63 587
Leasehold land and buildings transferred to non-current assets held for sale (note 14)	**–**	168 381
	481 727	868 821
Lease liabilities		
Current	**114 450**	161 829
Non-current	**523 368**	446 344
Lease liabilities held for sale (note 14)	**–**	272 108
	637 818	880 281

36. LEASES CONTINUED

	Consolidated 2023 R000	2022 R000
The following amounts were recognised in the income statement:		
Depreciation by category		
Vehicles and equipment	**11 002**	31 604
Leasehold land and buildings	**23 342**	102 082
Concessions	**34 147**	19 332
Ship charters	**135 966**	140 562
	204 457	293 580
Operating lease payments relating to:		
Short-term leases	**73 654**	70 255
Low value assets	**1 175**	521
Variable lease payments not included in the lease	**197 356**	96 910
The following amounts were recognised in the statement of cash flows:		
Operating activities		
Interest paid on lease liabilities	**(45 948)**	(64 615)
Financing activities		
Principal portion of lease liabilities	**(213 188)**	(272 706)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The table below details the lease terms and conditions for material leases:

			2023		2022	
Lease category	**Terms of the leases**	**Extension option**	**Asset value**	**Initial lease term (years)**	**Asset value**	**Initial lease term (years)**
Ship charters	Based on fixed ship charter rates	No	**49 911**	**4 to 8**	155 230	4 to 8
Property	Rental as per lease agreement with fixed escalation	No	**381 081**	**8 to 31**	270 383	8 to 33
Concessions	Fixed rate with increases based on US CPI. Variable payment based on volumes	No	**204 088**	**18 to 25**	142 529	18 to 25
			635 080		568 142	

37. DIRECTORS' EMOLUMENTS

Emoluments paid to directors and prescribed officers

The tables below provide an analysis of the emoluments paid to executive and non-executive directors and prescribed officers of the Company in relation to the 2023 and 2022 financial years.

In respect to executive directors, the amounts below relate to their approved total cost to company and short-term incentive payments.

Current directors	Directors' fees R000	Committee fees R000	Basic remuneration R000	Retirement medical and other benefits R001	Total package R000	Bonus R000	2023 Total R000
Executive directors							
XF Mbambo[1]	–	–	**6 507**	**1 693**	**8 200**	**7 872**	**16 072**
FB Ally	–	–	**3 285**	**1 246**	**4 531**	**4 116**	**8 647**
	–	–	**9 792**	**2 939**	**12 731**	**11 988**	**24 719**
Non-executive directors							
CA Carolus	**1 214**	**615**	–	–	**1 829**	–	**1 829**
GG Gelink[2]	**180**	**127**	–	–	**307**	–	**307**
NL Sowazi	**889**	**470**	–	–	**1 359**	–	**1 359**
WJ Grindrod	**444**	**419**	–	–	**863**	–	**863**
B Magara	**444**	**377**	–	–	**821**	–	**821**
ZP Zatu Moloi	**444**	**361**	–	–	**805**	–	**805**
D Malik	**444**	**381**	–	–	**825**	–	**825**
	4 059	**2 750**	–	–	**6 809**	–	**6 809**
Total emoluments local	**4 059**	**2 750**	**9 792**	**2 939**	**19 540**	**11 988**	**31 528**

1 Appointed as CEO effected 1 January 2023.
2 GG Gelink resigned from the Board effective 25 May 2023.

37. DIRECTORS' EMOLUMENTS CONTINUED

Current directors – local

	Directors' fees R000	Committee fees R000	Basic remuneration R000	Retirement medical and other benefits R000	Total package R000	Bonus R000	2022 Total R000
Executive directors							
XF Mbambo[3]	–	–	5 134	1 015	6 149	6 017	12 166
FB Ally	–	–	3 097	1 180	4 277	3 236	7 513
DA Polkinghorne[1,8]	–	–	4 341	1 001	5 342	6 616	11 958
AG Waller[2,9]	–	–	6 876	1 625	8 501	17 270	25 771
	–	–	19 448	4 821	24 269	33 139	57 408
Non-executive directors							
CA Carolus[5]	794	299	–	–	1 093	–	1 093
MJ Hankinson[4]	465	225	–	–	690	–	690
GG Gelink	420	296	–	–	716	–	716
NL Sowazi	840	337	–	–	1 177	–	1 177
PJ Uys[6]	348	463	–	–	812	–	812
WJ Grindrod	420	285	–	–	705	–	705
WO van Wyk[7]	–	13	–	–	13	–	13
B Magara	420	124	–	–	544	–	544
ZP Zatu Moloi	420	260	–	–	680	–	680
D Malik	420	180	–	–	600	–	600
	4 547	2 482	–	–	7 030	–	7 029
Total emoluments local	4 547	2 482	19 448	4 821	31 299	33 139	64 438

1 DA Polkinghorne emoluments were calculated until 1 November 2022 due to the disposal of Grindrod Bank. Consequently, the salary increase was not calculated as this is distorted relative to a full 12 months of emoluments.
2 AG Waller retired with effect from 31 December 2022.
3 XF Mbambo was appointed CEO effective 1 January 2023.
4 MJ Hankinson retired as non-executive director and Chairman of the Board with effect from 3 June 2022.
5 CA Carolus was appointed as Chair of the Board with effect from 3 June 2022
6 PJ Uys resigned effective 17 October 2022. All fees earned in 2022 were ceded to Remgro.
7 WO van Wyk resigned effective 17 October 2022. All fees earned in 2022 were ceded to Remgro.
8 Includes R6.5 million retention bonus
9 Includes R11.6 million special incentive bonus payment

Director's interest in the Company

At 31 December 2023, the directors held interest in the Company as follows:

	2023		2022	
	Beneficial direct	Non-beneficial indirect	Beneficial direct	Non-beneficial indirect
WJ Grindrod[1]	**–**	**76 931 244**	–	76 931 244
XF Mbambo	**42 667**	**–**	–	–
AG Waller	**–**	**–**	1 388 991	–
	42 667	**76 931 244**	1 388 991	76 931 244

1 Pursuant to Mr Grindrod's status as an associate of Grindrod Investments Proprietary Limited, his shareholding reported above includes the following:
(a) 21 610 shares held by immediate family; and
(b) 76 909 634 shares (11.02% of Grindrod's issued ordinary share capital) held by Grindrod Investments Proprietary Limited, where Mr Grindrod has been determined to be an associate. Grindrod Investments Proprietary Limited is an anchor shareholder of Grindrod which acquired the 11.02% shareholding on 29 October 1990.

The beneficial direct shareholdings increased by 79 667 after year end, further to vesting in terms of the forfeitable share plan.

37. DIRECTORS' EMOLUMENTS CONTINUED

Grindrod Limited share-price-linked option scheme

The committee approved payments of R18 043 364 (2022: R20 643 516) to the Scheme participants, including amounts to the executive directors and prescribed officers set out below:

	Share-price-linked option payment	
	2023 R000	2022 R000
Executive directors/prescribed officers		
XF Mbambo	**3 857**	–
DA Polkinghorne	**–**	4 199
AG Waller	**–**	15 795
Total	**3 857**	19 994

A summary of options granted to executives and senior management, still to vest as at 31 December 2023, is as follows:

	2018	2019	2020	2021	2022	2023	Total
Price (R)	7.4	8.13	3.67	5.1	5.73	**10.01**	
Number of options granted	5 197 287	6 397 000	10 655 100	15 160 000	9 342 000	**5 887 000**	52 638 387
Vesting on retirement/ transfer	(333 472)	(1 755 462)	(2 249 734)	(1 739 324)	(752 776)	**–**	(6 830 768)
Vested	(3 148 664)	(2 793 996)	(2 012 400)	–	–	**–**	(7 955 060)
Sub total	1 715 151	1 847 542	6 392 966	13 420 676	8 589 224	**5 887 000**	37 852 559
Forfeiture	(1 707 690)	(746 667)	(1 178 100)	(1 584 000)	(451 000)	**(81 000)**	(5 748 457)
Forfeiture on retirement	(7 461)	(278 875)	(1 190 066)	(1 803 676)	(2 156 224)	**–**	(5 436 302)
Net total	–	822 000	4 024 800	10 033 000	5 982 000	**5 806 000**	26 667 800

As at 31 December 2023 the fair value of these options was R89.8 million.

The details of awards granted to executives as at 31 December 2023 are as follows:

Director	Options at 01 January 2023	Options granted during the year	Vested	Options at 31 December 2023	Vesting price	Option price	Vesting dates
XF Mbambo	**95 944**	**–**	**(95 944)**	**–**	**10.03**	**7.40**	**Feb-23**
	331 333	**–**	**(331 333)**	**–**	**10.31**	**8.13**	**Mar-23**
	331 334	**–**	**–**	**331 334**		**8.13**	**Mar-24**
	516 900	**–**	**(516 900)**	**–**	**10.08**	**3.67**	**Aug-23**
	516 900	**–**	**–**	**516 900**		**3.67**	**Aug-24**
	516 900	**–**	**–**	**516 900**		**3.67**	**Aug-25**
	795 000	**–**	**–**	**795 000**		**5.10**	**Mar-24**
	795 000	**–**	**–**	**795 000**		**5.10**	**Mar-25**
	795 000	**–**	**–**	**795 000**		**5.10**	**Mar-26**
	497 334	**–**	**–**	**497 334**		**5.73**	**Mar-25**
	497 333	**–**	**–**	**497 333**		**5.73**	**Mar-26**
	497 333	**–**	**–**	**497 333**		**5.73**	**Mar-27**
	–	**539 333**	**–**	**539 333**		**10.01**	**Feb-26**
	–	**539 333**	**–**	**539 333**		**10.01**	**Feb-27**
	–	**539 334**	**–**	**539 334**		**10.01**	**Feb-28**
	6 186 311	**1 618 000**	**(944 177)**	**6 860 134***			

* As at 31 December 2023, the fair value of these options is R22.5 million.

	Options at 01 January 2023	Options granted during the year	Vested	Options at 31 December 2023	Vesting price	Option price	Vesting dates
FB Ally	**388 000**	**–**	**–**	**388 000**		**5.10**	**Mar-24**
	388 000	**–**	**–**	**388 000**		**5.10**	**Mar-25**
	388 000	**–**	**–**	**388 000**		**5.10**	**Mar-26**
	371 666	**–**	**–**	**371 666**		**5.73**	**Mar-25**
	371 667	**–**	**–**	**371 667**		**5.73**	**Mar-26**
	371 667	**–**	**–**	**371 667**		**5.73**	**Mar-27**
	–	**69 666**	**–**	**69 666**		**10.01**	**Feb-26**
	–	**69 667**	**–**	**69 667**		**10.01**	**Feb-27**
	–	**69 667**	**–**	**69 667**		**10.01**	**Feb-28**
	2 279 000	**209 000**	**–**	**2 488 000***			

* As at 31 December 2023, the fair value of these options is R8.3 million.

37. DIRECTORS' EMOLUMENTS CONTINUED

Grindrod Limited forfeitable share plan

The following table summarises the movements in the forfeitable share plan during the year.

	Date option granted	Number of options granted	Price[1] R	Number of forfeitable shares vested	Number of forfeitable shares forfeited	Vesting on retirement	Forfeiture on retirement	Total forfeitable shares
02 March 2020	2020	859 000	4.05[2]	(119 667)	(540 000)	–	–	199 333
02 March 2020	2020	120 000	3.19[2]	(40 000)	–	–	–	80 000
31 August 2020*	2020	500 000	3.68	–	–	(304 629)	(195 371)	–
01 March 2022	2022	900 000	5.50	–	–	–	–	900 000
02 March 2023	2023	400 000	10.26	–	–	–	–	400 000
28 August 2023	2023	200 000	10.83	–	–	–	–	200 000
		2 979 000	–	(159 667)	(540 000)	(304 629)	(195 371)	1 779 333[3]

* This award relates to AG Waller. Following approval by the remuneration committee, AG Waller received his prorated allocation of shares in line with the forfeitable share scheme based on the rules of the schemes that cover retirement. The number of shares allocated was 304 629 and the value of the shares based on a 31 December 2022 closing share price of R10.0 was R3.0 million.

1 The price reflects the market price on the date of the awards.

2 The vesting price for the March 2020 awards was R10.37.

3 At 31 December 2023, the fair value of these options based on a closing share price of R11.46 was R20.4 million.

Note: Repurchased shares are held as treasury shares as required by the JSE Listing Requirements.

The table below shows the executive participants in the scheme and forfeitable shares granted to the executives during 2023:

	Opening balance 01 January 2023	Number of forfeitable shares granted	Number of forfeitable shares vested	Vesting	Forfeiture	Total forfeitable shares
XF Mbambo	639 000	120 000	(79 667)	–	–	679 333
AG Waller	500 000	–	–	(304 629)	(195 371)	–
FB Ally	300 000	–	–	–	–	300 000
	1 439 000	120 000	(79 667)	(304 629)	(195 371)	979 333

	Opening balance 01 January 2023	Number of forfeitable shares granted	Number of forfeitable shares vested	Closing balance 31 December 2023	Vesting dates
XF Mbambo	79 667	–	(79 667)	–	Mar-23
	79 667	–	–	79 667	Mar-24
	79 666	–	–	79 666	Mar-25
	133 334	–	–	133 334	Mar-25
	133 333	–	–	133 333	Mar-26
	133 333	–	–	133 333	Mar-27
	–	40 000	–	40 000	Mar-26
	–	40 000	–	40 000	Mar-27
	–	40 000	–	40 000	Mar-28
	639 000	120 000	(79 667)	679 333*	

* As at 31 December 2023, the fair value of these options, based on a closing share price of R11.46 was R7.8 million.

	Opening balance 01 January 2023	Number of forfeitable shares granted	Number of forfeitable shares vested	Closing balance 31 December 2023	Vesting dates
FB Ally	100 000	–	–	100 000	Mar-25
	100 000	–	–	100 000	Mar-26
	100 000	–	–	100 000	Mar-27
	300 000	–	–	300 000*	

* As at 31 December 2023, the fair value of these options, based on a closing share price of R11.46 was R3.4 million.

38. GOING CONCERN

The directors consider that the Group and Company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis of accounting in preparing the Group and Company's Annual Financial Statements. Based on the financial performance of the Group, its cash flow projection to the end of March 2025, secure funding lines, and positive solvency and liquidity tests, the Group will remain operational for the foreseeable future.

39. SUBSEQUENT EVENTS

The concession to operate the port of Maputo by MPDC, in which Grindrod holds a 24.7% share, was officially extended by 25 years to 2058. This is a non-adjusting post balance sheet event. There are no other material post balance sheet events to report.

40. ANALYSIS OF THE GROUP'S INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

In the current year, the Group acquired the remaining shareholding in its joint venture RBT Grindrod Terminal Proprietary, resulting in no further unconsolidated structured entities.

The Group had special purpose entities that were often deemed to act "on auto pilot" when rights and obligations were pre-determined on the initial establishment of the entity. In these instances, the directors initially viewed these rights as protective in nature to ensure that Grindrod was able to secure its funding into those entities. Grindrod reviewed these structures as circumstances changed, such as payment defaults and inadequate security against the loan or funding. Where there were material changes that resulted in a default event or Grindrod had to provide some cure to the structure, such action would result in control changing as Grindrod's protective rights become substantive in nature, and consolidation was triggered.

	2022 R000
Statement of financial position	
Other investments (loans to related parties) – amortised cost	109 485
Statement of comprehensive income	
Interest income	43 819
Fair value gains	42 145
Impairment charges on loans and advances	3 274

The primary risk to which the Group was exposed was default risk. In the prior year, there were no significant changes in the underlying default risk.

In the prior year, the Group had security in the form of the underlying equity instrument held by the borrower as well as limited guarantees from the shareholders in certain instances which covers exposures on the statement of financial position.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	Notes	2023 R000	2022 R000
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**7 361 997**	7 670 725
Other investments	6	**1 407**	3 082
Total non-current assets		**7 363 404**	7 673 807
Current assets			
Trade and other receivables	7	**6 960**	40
Taxation receivable		**5 217**	–
Amounts due by Group companies	13	**6 499**	10 615
Cash and cash equivalents		**910 740**	1 180 380
Total current assets		**929 416**	1 191 035
Total assets		**8 292 820**	8 864 842
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	8	**4 482 668**	4 482 668
Non-distributable reserves		**20 943**	20 943
Accumulated profit		**3 606 746**	4 214 951
Total equity		**8 110 357**	8 718 562
Non-current liabilities			
Provision for warranties	9	**135 400**	85 000
Current liabilities			
Trade and other payables	10	**45 180**	37 640
Amounts due to Group companies	13	**1 883**	787
Taxation		**–**	22 853
Total current liabilities		**47 063**	61 280
Total equity and liabilities		**8 292 820**	8 864 842

COMPANY INCOME STATEMENT
for the year ended 31 December 2023

	Notes	2023 R000	2022 R000
Dividend revenue	12.3	**255 865**	836 760
Other income		**3 737**	5 497
Employment costs		**(9 054)**	(22 114)
Impairment of investments	2	**(379 057)**	(331 871)
Profit on disposal of investment in subsidiary	3	**–**	818 137
Auditors' remuneration		**(6 583)**	(5 238)
Professional fees		**(5 311)**	(3 220)
Provision for warranties	9	**(56 153)**	–
Other administrative costs		**(19 766)**	(3 064)
(Loss)/profit before interest and taxation		**(216 322)**	1 294 887
Interest income		**98 984**	12 809
Interest expense		**–**	(33)
(Loss)/profit before taxation		**(117 338)**	1 307 663
Taxation	4	**(21 747)**	(30 715)
(Loss)/profit for the year attributable to shareholders		**(139 085)**	1 276 948
Total comprehensive (loss)/income for the year		**(139 085)**	1 276 948

COMPANY STATEMENT OF CASH FLOW
for the year ended 31 December 2023

	Notes	2023 R000	2022 R000
OPERATING ACTIVITIES			
Cash utilised by operations	12.1	**(42 675)**	(56 658)
Interest received		**92 069**	12 809
Interest paid		**–**	(33)
Dividends received	12.3	**255 865**	253 760
Dividends paid		**(461 638)**	(698 205)
Taxation paid	12.2	**(49 817)**	(3 372)
Net cash outflows from operating activities		**(206 196)**	(491 699)
INVESTING ACTIVITIES			
Disposal of investments in subsidiaries		**–**	1 556 894
Disposal of other investments		**1 675**	432
Recapitalisation and acquisition of additional interest in subsidiaries*		**(70 329)**	–
Repayments from subsidiaries		**5 210**	–
Repayments of amounts due from subsidiaries		**–**	105 520
Net cash (outflows)/inflows from investing activities		**(63 444)**	1 662 846
FINANCING ACTIVITIES			
Funding advanced by subsidiaries		**–**	49 310
Repayments to subsidiaries		**–**	(49 310)
Net cash outflows from financing activities		**–**	–
Net (decrease)/increase in cash and cash equivalents		**(269 640)**	1 171 147
Cash and cash equivalents at beginning of the year		**1 180 380**	9 233
Cash and cash equivalents at end of the year		**910 740**	1 180 380

* In the current year, the company increased its investment in GFS Holdings Proprietary Limited.

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	2023 R000	2022 R000
Ordinary and preference share capital and share premium	**4 482 668**	4 482 668
Balance at the beginning of the year	**4 482 668**	4 482 668
Equity compensation reserve	**20 943**	20 943
Balance at the beginning of the year	**20 943**	20 943
Accumulated profit	**3 606 746**	4 214 951
Balance at the beginning of the year	**4 214 951**	3 644 504
(Loss)/profit for the year	**(139 085)**	1 276 948
Ordinary dividends declared	**(394 742)**	(650 106)
Preference dividends declared*	**(74 378)**	(56 395)
Total equity attributable to all shareholders of the company	**8 110 357**	8 718 562

* Preference dividends paid relate to cumulative, non-redeemable, non-participating and non-convertible preference shares declared and are based on 88% of the prime interest rate.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Refer to Group accounting policies.

2. IMPAIRMENT OF INVESTMENTS

	2023 R000	2022 R000
Impairment of investments	**(379 057)**	(331 871)

In the current year, impairments of R379 056 883 were recognised on investments held in GFS Holdings Proprietary Limited. The adjustments were determined based on the recoverable amount in terms of IAS 36 Impairment of assets. The investment was impairment to the recoverable amount which was assessed using fair value principles as the investee is an investment entity as defined.

In the prior year, impairments of R449 840 590 were recognised on investments held in GFS Holdings Proprietary Limited, Grindrod Freight Investments Proprietary Limited, Canosa Holdings Limited, Whirlprops 16 Proprietary Limited and Grindrod Property Holdings Limited. In addition, a reversal of impairment on the investment in Grindrod Trading Holdings Proprietary Limited of R117 969 301 was recorded. The adjustments recognised were determined based on the recoverable amount in terms of IAS 36 Impairment of assets. The investments were impaired to the recoverable amount which was assessed using fair value principles, for GFS Holdings Proprietary Limited as the investee is an investment entity as defined and net asset value for the remaining investees.

3. DISPOSAL OF INVESTMENT IN SUBSIDIARY

	2023 R000	2022 R000
Proceeds on disposal of investment	**–**	1 556 894
Less: carrying value of investment	**–**	(628 145)
Warranty provision	**–**	(85 000)
Transaction costs	**–**	(25 612)
	–	818 137

In the prior year, the Company disposed of its entire shareholding in Grindrod Financial Holdings Limited and Grindrod Bank Limited.

4. TAXATION

		2023 R000	2022 R000
Current taxation			
On taxable income for the year		**21 663**	30 685
Prior year		**–**	30
Withholding taxes		**84**	–
Total taxation per income statement		**21 747**	30 715
The reconciliation of the effective tax rate with the company tax rate is as follows:			
Rate of South African company taxation	(%)	**(27.0)**	28.0
Exempt dividends	(%)	**(58.9)**	(17.9)
Profit on disposal of investments	(%)	**–**	(17.9)
Withholding tax	(%)	**0.1**	–
Expenses not allowed*	(%)	**104.3**	10.1
Prior year	(%)	**–**	–
Effective rate of taxation	(%)	**18.5**	2.3

* Consist mainly of impairments of investments.

5. INVESTMENT IN SUBSIDIARIES

	2023 R000	2022 R000
Investments in subsidiaries	**7 350 634**	7 659 362
Share-based payments	**11 363**	11 363
	7 361 997	7 670 725

Details of the investments in subsidiaries are shown on the schedule of interest in subsidiaries on page 74.

6. OTHER INVESTMENTS

	2023 R000	2022 R000
Unlisted investments measured at FVTOCI	**1 407**	3 082
	1 407	3 082

Unlisted investments mainly consist of insurance cell captives.

7. TRADE AND OTHER RECEIVABLES

	2023 R000	2022 R000
Other receivables*	**6 960**	40
	6 960	40

* Other receivables mainly consists of interest accrued on cash and cash equivalents.

8. SHARE CAPITAL AND PREMIUM

	2023 R000	2022 R000
Authorised		
2 750 000 000 ordinary shares of 0.002 cents each	**55**	55
20 000 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cents each	**6**	6
	61	61
Issued		
698 031 586 (2022:262 553 314) ordinary shares of 0.002 cents each.	**14**	14
7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cents each	**2**	2
	16	16
There has been no change in the number of authorised shares from the prior year.		
Total issued share capital and premium	**4 482 668**	4 482 668

9. PROVISION FOR WARRANTIES

	2023 R000	2022 R000
Opening balance	**85 000**	–
Raised	**56 153**	85 000
Utilised	**(5 753)**	–
Closing balance	**135 400**	85 000
Split as follows:		
Non-current	**135 400**	85 000
Current	**–**	–

Provision for warranties

As part the disposal of Bank in 2022, the Group provided warranties for a maximum of R300.0 million on specific loans and advances relating to KZN North Coast properties. The warranties can only be called upon 36 months after date of disposal. This was assessed at year end and the provision was increased to R126.0 million (2022: R70.0 million) in the current year. In addition, the Group provided general warranties for a maximum of R100.0 million. The current year exposure was assessed to be R9.4 million (2022: R15.0 million).

10. TRADE AND OTHER PAYABLES

	2023 R000	2022 R000
Accrued expenses	**4 151**	3 298
Preference dividends payable	**39 965**	32 483
Other payables and provision	**1 064**	1 859
	45 180	37 640

11. CONTINGENT LIABILITIES

	2023 R000	2022 R000
In respect of guarantees of loans and facilities of subsidiaries and joint ventures	**3 401 400**	3 626 000
Of which has been utilised	**1 696 600**	1 589 200

The Company has assessed the status of these loans and facilities guaranteed as well as the financial position of the subsidiaries and concluded that there has not been a significant increase in the credit risk of the counterparties. Consequently, no expected credit loss has been recognised in respect of these guarantees.

12. CASH FLOW

	2023 R000	2022 R000
12.1 Reconciliation of operating (loss)/profit to cash generated from operations		
(Loss)/profit before interest and taxation	**(216 322)**	1 294 887
Adjustments for:		
Dividends received	**(255 865)**	(836 760)
Profit on disposal of investments	**–**	(843 749)
Provision for warranties	**56 153**	–
Impairment of investments	**379 057**	331 871
Operating loss before working capital changes	**(36 977)**	(53 751)
Working capital changes		
(Increase)/decrease in trade and other receivables	**(5)**	3
Decrease in trade and other payables and provision for warranties	**(5 693)**	(2 910)
Cash utilised by operations	**(42 675)**	(56 658)
12.2 Taxation paid		
Balance at the beginning of the year	**(22 853)**	4 490
Current year	**(21 747)**	(30 715)
Balance at the end of the year	**(5 217)**	22 853
Taxation paid	**(49 817)**	(3 372)
12.3 Reconciliation of dividends received		
Per income statement	**255 865**	836 760
Less: dividend received *in specie* due to intergroup property and loan restructure	**–**	(583 000)
Per statement of cash flows	**255 865**	253 760

13. RELATED PARTIES

During each year, the Company, in the ordinary course of business, enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.

	Dividends received R000	Net guarantee fees received R000
2023		
Subsidiaries		
Grindrod Freight Services Proprietary Limited	**239 987**	**–**
Grindrod Logistics Africa Proprietary Limited	**–**	**14**
Sturrock Grindrod Maritime Proprietary Limited	**–**	**871**
Grindrod Logistics Mozambique Limitada	**–**	**2 852**
Whirlprops 16 Proprietary Limited	**6**	**–**
Grindrod Trading Holdings Proprietary Limited	**15 872**	**–**
	255 865	**3 737**
2022		
Subsidiaries		
Canosa Holdings Limited	25 013	–
Grindrod Freight Services Proprietary Limited	622 240	–
Grindrod Financial Holdings Limited	54 909	–
GFS Holdings Proprietary Limited	–	1 751
Grindrod (South Africa) Proprietary Limited	–	42
Grindrod Logistics Africa Proprietary Limited	–	14
Grindrod Property Holdings Proprietary Limited	40 938	–
Nova-group Proprietary Limited	–	230
Sturrock Grindrod Maritime Proprietary Limited	–	871
Grindrod Logistics Mozambique Limitada	–	2 529
Whirlprops 16 Proprietary Limited*	93 660	–
Petrologistics Botswana Proprietary Limited	–	49
	836 760	5 486

* The transaction related to a dividend *in specie* following the internal property restructure. Further, this resulted in the increase in the investment in Grindrod Freight Services Proprietary Limited.

13. RELATED PARTIES CONTINUED

	Amounts due by Group Companies 2023 R000	Amounts due to Group Companies 2023 R000	Amounts due by Group Companies 2022 R000	Amounts due to Group Companies 2022 R000
Canosa Holdings Limited	–	302	–	302
Grindrod Trading Holdings Proprietary Limited	204	–	–	–
Grindrod Logistics Mozambique Limitada	726	–	4 623	–
Grindrod Holdings (South Africa) Proprietary Limited	20	–	–	–
Grindrod (South Africa) Proprietary Limited	5 549	1 096	5 400	–
Grindrod Property Holdings Proprietary Limited	–	485	–	485
Grindrod Logistics Africa Proprietary Limited	–	–	4	–
Petrologistics Botswana Proprietary Limited	–	–	588	–
	6 499	1 883	10 615	787

Subsidiaries

Details of investments in subsidiaries are set out in note 5 and in the schedule of interest in subsidiaries on page 74.

Directors

Details of directors' interests in the Company and directors' emoluments are set out in note 37 of the consolidated Annual Financial Statements

Further details on balances due by/(to) directors are disclosed in the related party note shown in note 34 of the consolidated annual financial statements.

Expected credit loss (ECL) on amount due by Group companies

Amounts due by Group companies have been assessed for impairment and management has determined that we expect to recover all loans in full. Therefore no ECL has been recognised with respect to amounts due by Group companies, as these loans are non-interest bearing and are repayable on demand. Inputs used in assessing the ECL include default and credit history, historical data and forecast cash flows.

14. FINANCIAL INSTRUMENTS

		Fair value			
	Carrying value* R000	Level 1 R000	Level 2 R000	Level 3 R000	Amortised cost R000
2023					
Financial instruments					
Cash and cash equivalents	910 740	–	–	–	910 740
Other investments	1 407	–	–	1 407	–
Trade and other receivables	6 960	–	–	–	6 960
Amounts due by Group companies	6 499	–	–	–	6 499
Trade and other payables	(45 180)	–	–	–	(45 180)
Amounts due to Group companies	(1 883)	–	–	–	(1 883)
	878 543	–	–	1 407	877 136
2022					
Financial instruments					
Cash and cash equivalents	1 180 380	–	–	–	1 180 380
Other investments	3 082	–	–	–	3 082
Trade and other receivables	40	–	–	–	40
Amounts due by Group companies	10 615	–	–	–	10 615
Trade and other payables	(37 640)	–	–	–	(37 640)
Amounts due to Group companies	(787)	–	–	–	(787)
	1 155 690	–	–	–	1 155 690

* Carrying value approximates fair value.

Refer to note 35 in the consolidated Annual Financial Statements for further detail.

15. SUBSEQUENT EVENTS

There are no material post balance sheet events to report.

INTERESTS IN SUBSIDIARIES

for the year ended 31 December 2023

At 31 December 2023, the Grindrod Limited company had the following subsidiaries carrying on business which principally affected the profits and assets.

They have the same year-end date as the Company and have been included in the annual financial statements.

		Share capital		Effective holding		Investments Shares at original cost		Share-based payments to employees	
		2023 R000	2022 R000	2023 %	2022 %	2023 R000	2022 R000	2023 R000	2022 R000
Incorporated in South Africa									
Grindrod Freight Investments Proprietary Limited	F	**1 495**	1 495	**100**	100	**203 500**	203 500	**610**	610
GFS Holdings Proprietary Limited	P	**–**	–	**100**	100	**2 833 217**	2 762 888	**–**	–
Grindrod Trading Holdings Proprietary Limited	T	**–**	–	**100**	100	**1 307 369**	1 307 369	**–**	–
Grindrod Freight Services Proprietary Limited	F	**1**	1	**100**	100	**5 695 372**	5 695 372	**10 753**	10 753
Whirlprops 16 Proprietary Limited	D	**–**	–	**100**	100	**14 000**	14 000	**–**	–
Incorporated in British Virgin Islands									
Canosa Holdings Limited	G	**–**	–	**100**	100	**23 290**	23 290	**–**	–
Incorporated in Isle of Man						**–**			
Grindrod Property Holdings Limited	G	**–**	–	**100**	100	**34 344**	34 344	**–**	–
Impairments		**–**	–			**(2 760 458)**	(2 381 401)	**–**	–
Grindrod Freight Investments Proprietary Limited						**(203 500)**	(203 500)		
GFS Holdings Proprietary Limited						**(1 790 112)**	(1 411 055)		
Grindrod Trading Holdings Proprietary Limited						**(698 418)**	(698 418)		
Whirlprops 16 Proprietary Limited						**(14 000)**	(14 000)		
Canosa Holdings Limited						**(22 866)**	(22 866)		
Grindrod Property Holdings Limited						**(31 562)**	(31 562)		
Interest in subsidiaries		**1 496**	1 496			**7 350 634**	7 659 362	**11 363**	11 363

Nature of Business
D – Dormant
F – Freight and Property Services
G – Group Services
P – Private Equity and Property
T – Trading

SHARE ANALYSIS OF ORDINARY SHAREHOLDERS

for the year ended 31 December 2023

	Number of shareholdings	Percentage holdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	34 848	90.92	15 065 732	2.16
5 001 to 10 000 shares	1 298	3.39	9 651 225	1.38
10 001 to 50 000 shares	1 490	3.89	32 055 180	4.59
50 001 to 100 000 shares	250	0.65	17 841 190	2.56
100 001 to 1 000 000 shares	351	0.92	111 561 652	15.98
1 000 001 to 10 000 000 shares	80	0.21	263 787 677	37.79
10 000 001 shares and over	6	0.02	248 068 930	35.54
	38 323	100.00	698 031 586	100.00
Non-public shareholders	7	0.02	209 721 293	30.04
Directors of the Company (includes share options)	2	0.01	64 277	0.01
Treasury stock (including share options)*	1	0.00	30 271 332	4.33
Strategic holdings (more than 10%)	4	0.01	179 385 684	25.70
Public shareholders	38 316	99.98	488 310 293	69.96
	38 323	100.00	698 031 586	100.00
Investor profile				
Banks and Brokers	142	0.37	81 279 268	11.64
Close Corporations	220	0.57	5 745 990	0.82
Endowment Funds	80	0.21	4 308 804	0.62
Individuals	31 587	82.42	71 450 839	10.24
Insurance Companies	104	0.27	13 126 138	1.88
Investment Companies	6	0.02	636 622	0.09
Medical Schemes	17	0.04	2 328 950	0.33
Mutual Funds	241	0.63	195 633 173	28.03
Other Corporations	192	0.50	653 814	0.09
Treasury Stock (including share options)*	1	0.00	30 271 332	4.34
Private Companies	810	2.11	111 890 581	16.03
Public Companies	11	0.03	1 651 143	0.24
Retirement Funds	1 436	3.75	155 472 832	22.27
Sovereign Wealth Funds	2	0.01	2 378 605	0.34
Trusts	3 474	9.07	21 203 495	3.04
	38 323	100.00	698 031 586	100.00

* Includes 1 799 333 share options granted under the Forfeitable Share Plan scheme. Refer to note 37 for further details.

	Number of shareholdings	Percentage holdings	Number of shares	Percentage of shares
Geographical breakdown				
South Africa	37 751	98.51	628 345 368	90.02
United States of America and Canada	55	0.14	32 253 984	4.62
United Kingdom	80	0.21	20 664 084	2.96
Rest of the World	361	0.94	3 309 908	0.47
Rest of Europe	76	0.20	13 458 242	1.93
	38 323	100.00	698 031 586	100.00
Beneficial shareholders holding 5% or more				
Government Employees Pension Fund			117 158 241	16.78
Grindrod Investments Proprietary Limited			76 949 632	11.02
36ONE Asset Management			42 193 339	6.04
			236 301 212	33.84
Top 10 Fund managers				
Public Investment Corporation			105 639 603	15.13
36ONE Asset Management			72 266 486	10.35
Truffle Asset Management			29 992 777	4.30
Coronation Fund Managers			24 410 494	3.50
PSG Asset Management			22 677 478	3.25
Steyn Capital Management			20 145 678	2.89
Sanlam Investment Management			14 678 532	2.10
BlackRock			11 648 751	1.67
All Weather Capital			11 428 343	1.64
Laurium Capital			11 377 592	1.63
Cumulative totals			324 265 734	46.46

SHARE ANALYSIS OF CUMULATIVE, NON-REDEEMABLE, NON-PARTICIPATING, NON-CONVERTIBLE PREFERENCE SHARES

for the year ended 31 December 2023

	Number of shareholdings	Percentage holdings	Number of shares	Percentage of shares
Shareholder spread				
1 to 5 000 shares	**1 598**	**86.43**	**1 565 160**	**21.15**
5 001 to 10 000 shares	**133**	**7.19**	**970 629**	**13.12**
10 001 to 50 000 shares	**95**	**5.14**	**1 915 046**	**25.87**
50 001 to 100 000 shares	**17**	**0.92**	**1 227 507**	**16.59**
100 001 shares and over	**6**	**0.32**	**1 721 658**	**23.27**
	1 849	**100.00**	**7 400 000**	**100.00**
Public shareholders	**1 849**	**100.00**	**7 400 000**	**100.00**
	1 849	**100.00**	**7 400 000**	**100.00**
Investor profile				
Banks and Brokers	**6**	**0.32**	**493 495**	**6.67**
Close Corporations	**17**	**0.92**	**230 648**	**3.12**
Endowment Funds	**14**	**0.76**	**146 591**	**1.98**
Individuals	**1 482**	**80.16**	**3 004 022**	**40.59**
Insurance Companies	**4**	**0.22**	**86 712**	**1.17**
Investment Companies	**1**	**0.05**	**2 425**	**0.03**
Medical Schemes	**1**	**0.05**	**2 989**	**0.04**
Mutual Funds	**25**	**1.35**	**1 507 412**	**20.37**
Other Corporations	**11**	**0.59**	**26 354**	**0.36**
Private Companies	**82**	**4.43**	**691 466**	**9.34**
Public Companies	**1**	**0.05**	**178 390**	**2.41**
Retirement Funds	**5**	**0.27**	**55 964**	**0.76**
Trusts	**200**	**10.83**	**973 532**	**13.16**
	1 849	**100.00**	**7 400 000**	**100.00**
Geographical breakdown				
South Africa	**1 826**	**98.76**	**6 935 698**	**93.72**
Rest of the World	**12**	**0.65**	**14 469**	**0.20**
Rest of Europe	**5**	**0.27**	**38 895**	**0.53**
United States of America and Canada	**1**	**0.05**	**1 400**	**0.02**
United Kingdom	**5**	**0.27**	**409 538**	**5.53**
	1 849	**100.00**	**7 400 000**	**100.00**

KEY OPERATING SEGMENTS
31 December 2023

	Effective holding 2023 %	Effective holding 2022 %
Port and Terminals		
Port		
Maputo Port Development Company (MPDC)	**24.7**	24.7
Portus indico – Sociedade de Servicos Portuarios FZCO (Dubai)	**48.5**	48.5
Empresa de Dradagem do Porto de Maputo S.A. (EDPM) (Mozambique)	**25.5**	25.5
Terminals		
Dry-bulk terminals		
Terminal de Carvão da Matola (TCM)	**65**	65
Grindrod Mozambique Limitada (GML)	**100**	100
Grindrod Terminals Richards Bay, a division of Grindrod South Africa Operations	**75**	100
RBT Grindrod Terminal (RBTG)	**–**	59.7
Grindrod Terminals Richards Bay	**100**	–
Walvis Bay Bulk Terminal (WBBT)	**75**	75
Maputo Intermodal Container Depot, S.A. (MICD) (Maputo)	**50**	50
Grindrod Multi-Purpose Terminals, a division of Grindrod South Africa Operations	**75**	100
Car terminal		
Grindrod Maputo Car Terminal (MCTL)	**100**	100
Stevedores		
Bay Stevedores (Richards Bay), a division of Grindrod South Africa Operations	**75**	100
Grindrod Namibia Stevedoring (Walvis Bay)	**49**	49
Logistics		
Container landside logistics		
Grindrod Logistics Proprietary Limited	**49**	–
Grindrod Logistics Mozambique Limitada	**100**	100
Nacala Intermodal Terminal Investments	**75**	75
Grindrod Intermodal	**–**	100
Cross border and project logistics		
Grindrod Logistics Africa (Kingdom of Eswatini, Malawi, Tanzania, Uganda, Zambia and 75% of South Africa)	**100**	100
Grindways Logistics Limited	**50**	50
Grindrod Marine Transport (Mauritius)	**100**	–
Zambian Furnace Supplies	**51**	–

	Effective holding 2023 %	Effective holding 2022 %
Clearing and forwarding		
Röhlig-Grindrod	**50**	50
Ships agency, maritime technical services and logistics		
Sturrock Grindrod Maritime (SGM)	**75**	100
Sturrock Shipping Holdings (SSH)	**100**	100
United Container Depots (UCD)	**100**	100
Rail leasing and operations		
NLPI Group	**73.9**	73.9
RailCo Africa Limited	**42.3**	42.3
GPR Leasing South Africa	**55**	55
Grindrod Rail Consulting Services	**42.3**	42.3
Grindrod Rail Operations	**100**	100
Grindrod Rail, a division of Grindrod South Africa and Grindrod Mauritius	**100**	100
Grindrod Locomotives Mozambique	**100**	100
RRL Grindrod Sierra Leone 1	**100**	100
RRL Grindrod Sierra Leone 2	**100**	100
Group		
Grindrod Freight Services	**100**	100
Grindrod Holdings South Africa	**100**	100
Grindrod South Africa	**100**	100
Grindrod South Africa Operations	**75**	100
Grindrod Mauritius	**100**	100
Private Equity and Property		
GFS Holdings	**100**	100
Marine Fuels		
Cockett Marine Fuels	**50**	50

VALUE ADDED STATEMENT

Year ended 31 December 2023

	Consolidated			
	2023 R000	%	2022* R000	%
Revenue	**4 845 572**		6 332 064	
Net cost of services	**(1 578 045)**		(2 940 162)	
Value added by operations	**3 267 527**		3 391 902	
Non-trading items	**(15 175)**		326 519	
Total value added	**3 252 352**		3 718 421	
Applied as follows:				
Employees' remuneration and service benefits	**925 860**	**28.6**	1 317 733	35.5
Taxation on income	**274 116**	**8.4**	410 214	11.0
Providers of share capital	**453 002**	**13.9**	679 718	18.3
Providers of loan capital	**219 967**	**6.8**	210 075	5.6
Reinvested in the business				
Depreciation and amortisation	**391 631**	**11.9**	499 600	13.3
Retained income	**987 776**	**30.4**	601 081	16.2
Total	**3 252 352**	**100.0**	3 718 421	100.0

* Prior year figures include both continuing and discontinued operations.

This statement represents the wealth created by adding value to the Group's cost of services and shows how this wealth has been distributed.