METROFILE HOLDINGS LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

metrofile

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CEO and CFO responsibility statement

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

– The annual financial statements set out on pages 1 to 60, fairly present in all material respects the financial position, financial performance and cash flows of Metrofile Holdings Limited in terms of the IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act) and the Listings Requirements of the JSE Limited (JSE).
– 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.
– Internal financial controls have been put in place to ensure that material information relating to Metrofile Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of Metrofile Holdings Limited.
– 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.
– Where we are not satisfied, we have disclosed to the Audit, Governance and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies.
– We are not aware of any fraud involving directors.

PG Serima
Group Chief Executive Officer
16 September 2024

S Mansingh
Group Chief Financial Officer
16 September 2024

Statement of responsibility and approval

The directors are responsible for the preparation of consolidated and separate annual financial statements (annual financial statements) that fairly present the financial position and results of operations and cash flows of the Company and the Group for the year ended 30 June 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act) and the Listings Requirements of the JSE Limited (JSE).

The directors accept responsibility for the maintenance of adequate accounting records and for the integrity, objectivity and reliability of the annual financial statements of Metrofile Holdings Limited and its subsidiaries. The directors support the principle of transparent reporting and delegated the responsibility for the preparation and presentation of the annual financial statements to management.

The directors are responsible for systems of internal control. These are designed to provide reasonable assurance as to the reliability of the annual financial statements and adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these control procedures and systems has occurred during the year under review.

The annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act), the Listings Requirements of the JSE Limited (JSE) and are based on appropriate accounting policies, supported by reasonable and prudent judgements.

These accounting policies have been consistently applied as in the prior year except for changes as a result of adoption of new accounting standards (refer to note 1.1 of the annual financial statements).

These annual financial statements have been prepared on a going concern basis, which presumes that assets will be realised and liabilities settled in the normal course of business. No adjustments have been processed to the classification or valuation of assets or liabilities, which may be necessary if the Group and Company are not able to continue as a going concern.

The annual financial statements have been audited by BDO South Africa Incorporated, which is independent and was given unrestricted access to all financial records and related data, including all minutes of shareholders' meetings, the Board of Directors and Committees of the Board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate. The unmodified audit report is presented on pages 9 to 11.

The Audit, Governance and Risk Committee has reviewed the scope as well as the independence and objectivity of the external auditor. The Committee has satisfied itself that the external auditor is independent as defined by the Companies Act of South Africa and the Committee has approved the audit fees for the year.

The annual financial statements have been prepared under the supervision of Mr S Mansingh, CA (SA), MBA. The annual financial statements which appear on pages 1 to 60 were approved by the Board on 16 September 2024 and are signed on their behalf by:

PG Serima
Group Chief Executive Officer
16 September 2024

S Mansingh
Group Chief Financial Officer
16 September 2024

Certificate by Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge, the Company has complied with all the requirements of the Companies Act and more specifically that all returns and notices as are required by the Companies Act for a public company have been lodged with the Companies and Intellectual Properties Commission and that all such returns and notices are true, correct and up-to-date.

Elmarie Smuts
Company Secretary
Johannesburg

16 September 2024

Report of the directors

The directors submit their report together with the audited financial statements of Metrofile Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2024.

Nature of business

Over the past four decades, Metrofile has established a credible and trusted reputation of being a leader in information governance and management, offering quality products and specialised services to organisations of all sizes and sectors across South Africa, Kenya, Botswana, Mozambique and the Middle East. We operate from 72 facilities at 36 locations covering 119 000 square meters of warehousing space.

Metrofile's services assist clients in structuring, managing and accessing their information in any format, in any location, at any given time. Our clients are guided to ensure that adherence to all legislative requirements is met and that their most valuable asset, their information, is protected.

These digital offerings include the provision of data management services, including cloud backup, disaster recovery and specialised hosting in a private cloud, as well as business process optimisation through the use of advanced electronic information management systems. By providing end-to-end services across all aspects of the information management life cycle, we are well placed to meet the evolving demands of our clients and to assist them on their digital transformation journey, which includes digitising processes from end-to-end.

We partner with our clients on their digital transformation journey with our digital services and solutions, whilst retaining our core offerings, such as the physical management of records and information, and our expertise in space optimisation. Empowerment partner and strategic shareholder, Mineworkers Investment Company, owns 39.20% (2023: 39.06%) of Metrofile's equity (net of treasury shares).

Directors and Company Secretary

The directors of the Company as at the date of this report were as follows:

P Langeni^* (Chairman)	LE Mthimunye^*
MS Bomela* (Deputy Chairman)	CS Seabrooke^*
PG Serima (CEO)	STM Seopa^*
S Mansingh (CFO)	DL Storom*
SV Zilwa†*	L Rood^* (Alternate to CS Seabrooke)
A Khumalo^*	

^ *Independent † Lead independent * Non-executive*

Effective 30 September 2024, PG Serima will resign as Group Chief Executive Officer and STM Seopa will be appointed effective 1 October 2024.

At the time of this report, the Board comprises two executive and eight non-executive directors, of whom six are independent directors.

All directors who retired in terms of the Company's Memorandum of Incorporation were re-appointed for a further term of office as approved at the Annual General Meeting held on 23 November 2023.

At 30 June 2024, interests of the directors in the shares of the Company were as per the table on the next page. Subsequent to year-end and the publication of these annual financial statements, the interests of the directors in the shares of the Company did not change.

Report of the directors continued

Directors and officers	Beneficial		Non-beneficial		
	Direct	Indirect	Direct	Indirect	Total shares
MS Bomela, DL Storom †	–	–	–	165 480 445	165 480 445
A Khumalo	–	–	–	–	–
P Langeni #	–	36 450 000	–	–	36 450 000
S Mansingh	150 000	–	–	–	150 000
LE Mthimunye	–	–	–	–	–
CS Seabrooke*	–	–	–	21 000 000	21 000 000
PG Serima	46 035	–	–	–	46 035
STM Seopa	–	–	–	–	–
SV Zilwa	–	–	–	–	–

† *Mary Bomela and Lebohang Storom are CEO and Group Financial Manager of MIC respectively, which owns 165 480 445 shares being an economic interest of 38.16% (39.20% net of treasury shares). As MIC's representatives on Metrofile's Board, they have no economic interest in MIC personally.*

Phumzile Langeni is the CEO and shareholder of Afropulse Group (Pty) Limited, which owns 36 450 000 shares in Metrofile Holdings Limited, being an economic interest of 8.40% (8.63% net of treasury shares), of which she has a 50% beneficial interest. Afropulse Group (Pty) Limited ("Afropulse Group") is in receipt of a call right from Sabvest Investments (Pty) Limited ("Sabvest Investments") and acceptance of a put obligation imposed on it by Sabvest Investments on 21 000 000 ordinary shares in Metrofile Holdings Limited. The call right may be exercised at any time by Afropulse Group on 10 business days' notice to Sabvest Investments until 30 November 2025 when it will expire. The put obligation may be actioned by Sabvest Investments giving 30 business days' notice of intention to exercise prior to either 30 November 2025 or 31 May 2026 after which it will expire.

* *The Seabrooke Family Trust has an indirect interest of 40.50% in this shareholding through Sabvest Capital Limited, i.e. an effective economic interest of 1.96% (2.01% net of treasury shares). Sabvest Investments (Pty) Limited ("Sabvest Investments") is in receipt of a put right from Afropulse Group Proprietary Limited ("Afropulse") and acceptance of a call obligation imposed by Afropulse on 21 000 000 ordinary shares in Metrofile Holdings Limited. The put right may be exercised by Sabvest Investments giving 30 business days notice of intention to exercise to Afropulse prior to either 30 November 2025 or 31 May 2026 after which it will expire. The call obligation may be actioned at any time by Afropulse on 10 business days notice to Sabvest Investments until 30 November 2025 when it will expire.*

Directors' interests in transactions

None of the directors, except where indicated in note 28 to the annual financial statements, has any interest in any transactions that were entered into by the Group during the current or prior financial year, or during an earlier financial year, which, in any respect, remain outstanding.

Financial results

The statements of profit or loss and statements of other comprehensive income set out on pages 12 and 13 reflect the results of the operations of the Company and of the Group for the year ended 30 June 2024.

Statement of financial position

To present a statement of financial position that fairly reflects the financial position, asset values have been tested for impairment and impairment to goodwill was identified in respect of MRM Kenya (refer to note 14 of the annual financial statements). Investments and loans are recorded at fair market or realisable values. Working capital has been assessed to ensure a fair carrying value for inventory and the recoverability of accounts receivable.

The Group's properties have been recorded at their carrying value, and have been tested for impairment and no impairments have been made.

Commitments

Capital investment plans for the 2025 financial year amount to R68 million (2023: R68 million). Refer to note 24 of the annual financial statements.

Significant contracts

Save for those agreements that have been disclosed to shareholders in terms of the Listings Requirements of the JSE Limited, the Group has not entered into any material contracts, other than in the ordinary course of business, during the two years prior to the date of this report.

Litigation

The Company and Group are not involved in any legal or arbitration proceedings, nor are the directors aware of any such proceedings which may be pending or threatened, which may have, or which have had, in the 12-month period preceding the date of these annual financial statements, a material effect on the Company's and Group's financial position.

Dividends

The Board has resolved to declare a final cash dividend of 7 cents per share. Refer to note 9 of the annual financial statements.

Notice is hereby given that a final gross cash dividend of 7 cents per share in respect of the year ended 30 June 2024 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Friday, 4 October 2024. The last day to trade cum-dividend will therefore be Tuesday, 1 October 2024 and Metrofile shares will trade ex-dividend from Wednesday, 2 October 2024. Payment of the dividend will be on Monday, 7 October 2024. Share certificates may not be dematerialised or rematerialised from Wednesday, 2 October 2024 to Friday, 4 October 2024, both days inclusive. Withholding tax on dividends will be deducted for all shareholders who are not exempt in terms of the legislation

Report of the directors continued

at a rate of 20% which will result in a final net cash dividend of 5.6 cents per share. The Company's issued share capital at the period end is 433 699 958 shares (422 175 219 net of treasury shares) and the Company's tax number is 9375/066/71/0.

Subsidiaries

Details of the Company's operating subsidiaries at 30 June 2024 are set out in note 35.

Share capital

The authorised ordinary share capital of the Company remains unchanged at 500 million ordinary par value shares of 0.6146 cents each.

The following ordinary shares were in issue at the end of the year under review:

	2024	2023
Opening balance	433 699 958	433 699 958
Closing balance	433 699 958	433 699 958
Opening balance net of treasury shares	423 655 204	433 699 958
Treasury shares purchased during the year	(1 479 985)	(10 044 754)
Closing balance net of treasury shares	422 175 219	423 655 204

Further details of share capital can be found in note 19 of the annual financial statement.

Special resolutions

Special resolutions to approve the remuneration of the non-executive directors, a general authority to acquire the Company's own shares, authority to provide financial assistance to related/inter-related parties and to provide inter-Group loans and other financial assistance for purposes of funding the Group and a general authority to allot and issue shares pursuant to the Conditional Share Plan, were approved in the year under review.

Review of operations

MRM South Africa

Revenue from MRM South Africa reduced by 3% to R606 million (2023: R626 million) mainly as a result of lower product sales and lower revenue from digital services which was offset by growth in secure storage following an improved rate mix as well as higher paper services. Operating profit was down by 18% to R174 million (2023: R212 million) and operating margin reduced due to the lower than inflationary growth in revenue as well as internal process challenges within our scanning centres.

Corrective action was taken during fourth quarter of the 2024 financial year and we have started the 2025 financial year well with improvements in MRM South Africa and enhanced EBITDA margins. Cash collections in July and August 2024 have increased following the successful resolution of various long-standing customer queries, enhanced customer engagement and the successful resolution of some operational challenges.

Following the action plans to address the 2024 challenges and an enhanced focus on customer service, we have started to yield positive results as demonstrated by an increase in pipeline growth over the past month, both in secure storage as well as requests for digitisation through IPC. Pleasingly, we are experiencing positive activity in the public sector and we expect this to yield higher sales conversion in the 2025 financial year.

MRM Rest of Africa

MRM Rest of Africa consists of operations in Kenya, Botswana and Mozambique. Revenue reduced by 1% to R104 million (2023: R105 million) and operating profit increased by 47% to R40 million (2023: R27 million) following a positive resolution on a long-standing dispute with a customer in Kenya. Excluding this item, margin was similar to the previous year and operating profit was marginally lower than the prior year. MRM Kenya experienced an overall decline in financial performance that resulted in an impairment of R54 million of goodwill. With new management now in place we are confident of improved trading and financial performance in the 2025 financial year and going forward.

MRM Middle East

MRM Middle East consists of operations in the United Arab Emirates and Oman. This region continued to grow and expand its digital project pipeline with revenue increasing by 21% to R120 million (2023: R99 million). Operating profit decreased by 90% to R2 million (2023: R22 million) due to a significantly lower margin on an isolated project as well as lower margins on a new project. Given the competitive environment, although we anticipate continued growth in revenue, we remain cautious of the low margin environment as well as pressure on EBITDA.

Products and Services South Africa

Our Products and Services South Africa suite of offerings includes Tidy Files, Cleardata, Metrofile VYSION and IronTree. Overall, revenue increased by 2% to R311 million (2023: R305 million) with operating profit increasing by 4% to R35 million (2023: R33 million) mainly as a result of growth experienced in IronTree, offset by poor financial performances from Tidy Files and Metrofile VYSION. Metrofile VYSION was significantly lower compared to the prior period, with workflow automation related sales reducing due to a longer than anticipated sales cycle. IronTree continues to grow ahead of expectations and we are currently planning the expansion of its services into the other geographies in which we operate.

During the 2024 financial year, a decision was taken to close the Tidy Files manufacturing component. As a result, property, plant and equipment and a portion of the goodwill of Tidy Files totalling R15 million has been disclosed as assets held for sale as at 30 June 2024. Refer to note 18 of the annual financial statements. Subsequent to year-end, effective 1 August 2024, Metrofile concluded the sale of assets and brand name for

R15 million to a third party as part of the closure of the Tidy Files manufacturing operation. A provision for retrenchment and closure costs of R16.6 million was recognised as at 30 June 2024.

Going concern

The directors are of the opinion that the business will be a going concern in the year ahead. In reaching this opinion, the directors considered the following factors:

- The Group's cash requirements for debt servicing and capital repayments are satisfactorily covered by the Group's current and projected cash flows.
- Well controlled working capital.
- Approved short and long-term financing, with sufficient additional short-term working capital borrowing capacity, if required.
- Statement of financial position assets have been carefully tested for impairment and none are over-valued, except for the impairment of goodwill as per note 14.3.
- Budgets to June 2025 reflect a continuation of positive trading.
- Key executive management is in place.
- Metrofile (Pty) Ltd is compliant with all aspects of the Common Terms of Agreement of Standard Bank of South Africa Limited and all loan covenant requirements.

Events after the reporting period

Effective 1 August 2024, Metrofile concluded the sale of assets and brand name for R15 million to a third party as part of the closure of the Tidy Files manufacturing operation that were held for sale as at 30 June 2024. This sale has had a negligible impact on profit or loss in the new financial year. This is a non-adjusting event.

To the knowledge of the directors, no further material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Preparation of annual financial statements

The annual financial statements have been prepared under the supervision of Mr S Mansingh, CA(SA), MBA.

Audit, Governance and Risk Committee report

The Audit, Governance and Risk Committee (the Committee) comprised the following independent non-executive directors:

- Sindi Zilwa – Chairman
- Andile Khumalo
- Lindiwe Mthimunye
- Thabo Seopa*

* *Thabo Seopa will resign as a member of the Committee due to his appointment as Group Chief Executive Officer effective 1 October 2024.*

The Committee has discharged its oversight responsibility for all local and international subsidiaries of Metrofile Holdings Limited for the reporting period.

The Committee reports that it has adopted appropriate formal terms of reference as its charter, and has regulated its affairs in compliance with this charter, and has discharged all of the responsibilities set out therein.

The Committee considered the matters set out in Section 94(7) of the Companies Act of South Africa and is satisfied with the independence and objectivity of BDO South Africa Incorporated as external auditor and Mr Mandisi Mantyi as the designated auditor. The Committee has further executed its responsibilities in terms of section 3.84(g)(ii) of the JSE Listings Requitements. The Committee further approved the fees to be paid to BDO South Africa Incorporated and its terms of engagement and pre-approved any proposed contract with BDO South Africa Incorporated for the provision of non-audit services to the Company.

As required by the JSE Listings Requirements 3.84(g)(i), the Committee has satisfied itself that the Chief Financial Officer, Mr Shivan Mansingh, has the appropriate expertise and experience.

The Committee discharged the following specific responsibilities with regard to audit, governance and risk during the reporting period:

- Ensured and reported on the integrity, reliability and accuracy of the Group's accounting and financial reporting systems.
- Considered and recommended the annual financial statements for approval by the Board.
- Considered that the going concern assertion remains appropriate, as well as the solvency and liquidity requirements of the Company.
- Ensured that it has oversight of the integrated annual report and the factors, risks and sustainability matters that may impact the integrity thereof.
- Reviewed the scope, independence and objectivity of the external auditor and agreed on appropriate fees.
- Reviewed the findings and reports of the external auditor.
- Considered the independence of the external auditor for the financial year ended 30 June 2024 and recommended the reappointment of the external auditor.
- Promoted the overall effectiveness of corporate governance in the Group.
- Reviewed the effectiveness of the design and implementation of internal financial controls, including internal financial reporting controls, and the nature and extent of any significant weaknesses in the design, implementation or execution of these controls that could result in material financial loss, fraud, corruption or error. This review also included requirements as per the JSE Listings Requirements 3.84(k) to enable the CEO and CFO responsibility statement as per page 1 of these annual financial statements.
- Ensured that a combined assurance model is applied to provide a coordinated approach to all assurance activities and that the combined assurance received is appropriate to address the significant risks facing the business.
- Considered the significant risks in the Group's business environment.
- Assisted the Board in reviewing the risk management process.
- Provided oversight of the internal audit function of the Group.
- Monitored compliance with applicable legislation, governance codes and regulations.
- Assisted the Board in carrying out its information and technology governance responsibilities.
- Annual consideration of the appropriateness of the expertise and adequacy of resources of the Group's finance function and the experience of senior management responsible for the finance function.
- Considered the JSE's most recent report back on proactive monitoring of financial statements, and took appropriate action, where necessary, to respond to findings as highlighted in the JSE report when preparing the annual financial statements for the year ended 30 June 2024.
- Evaluated the compliance register against the JSE Listings Requirements to ensure that it supports the certificate to be issued to the JSE by the Company Secretary.

Key audit matters

The Committee noted the key audit matter set out in the independent auditor's report, which is:

- Impairment of goodwill and reallocation of goodwill.

Internal controls and internal financial control attestation

As part of the year-end process, the Committee considered management's methodology, internal financial and financial reporting control environment, assessed these environments and related reporting to support the CEO and CFO responsibility statement, as required by the JSE Listings Requirements 3.84(k).

It was concluded that due process was followed to enable the CEO and CFO responsibility statement, that internal financial control deficiencies were reported to management, the Committee and external audit throughout the year; and that processes are in place to remediate the deficiencies reported, to ensure ongoing enhancement of the internal financial control environment.

For the 2024 financial year, no material deficiencies were noted for reporting.

Audit, Governance and Risk Committee report continued

As a result the Committee noted the CEO and CFO responsibility statement and concluded that Metrofile's internal financial controls may be relied upon as a reasonable basis for the preparation of the annual financial statements.

The Committee is satisfied that there was no material breakdown in the internal financial controls, including internal financial reporting controls, during the financial year. This is based on information, reports and presentations given by management, the outsourced internal audit function and external audit throughout the financial year.

Annual financial statements

The Committee has evaluated the annual financial statements of Metrofile Holdings Limited and the Group for the year ended 30 June 2024 and, based on the information provided to the Committee, considers that the Group complies, in all material aspects, in terms of the IFRS Accounting Standards as issued by the International Accounting Standards Board, the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act) and the Listings Requirements of the JSE Limited (JSE).

We further confirm that the 2023 JSE report on proactive monitoring of financial statements as issued on 3 November 2023, was tabled, and having considered the important findings and focus areas identified by the JSE in the report, the Committee was satisfied that all such findings and focus areas are adequately addressed by the Company and no further remedial action is necessary.

The Committee is satisfied that it has discharged all its duties and fulfilled its responsibilities in accordance with its charter and as prescribed by the Companies Act of South Africa.

Sindi Zilwa

SV Zilwa
Audit, Governance and Risk Committee Chairman

16 September 2024

Social, Ethics and Transformation Committee report

This report is published in terms of regulation 43(5)(c) of the Companies Act 71 of 2008 (the "Act"), as amended.

For this financial year, the Social, Ethics and Transformation Committee (the "Committee") comprised the following members:

- Mary Bomela – Chairman
- Phumzile Langeni
- Shivan Mansingh
- Lindiwe Mthimunye
- Pfungwa Serima*
- Sindi Zilwa
- Andile Khumalo

* *Pfungwa Serima will resign as a member of the Committee effective 30 September 2024.*

The Committee is responsible for monitoring the Group's activities relating to human rights, empowerment, B-BBEE, equality, corruption, ethics, health, public safety, consumer and labour relations.

As part of Metrofile's ongoing development in its contribution as a good corporate citizen for the benefit of all its stakeholders, the Social and Ethics Committee supports the Board in this commitment by monitoring the Group's environmental, social and governance (ESG) performance.

The Committee has a duty to monitor the social, economic, governance, employment and environmental activities of the Group and to bring matters relating to these activities to the attention of the Board when relevant and to report annually to stakeholders on the matters for which it is responsible.

It assesses, measures and reviews the Group's performance, standing and goals in addressing transformation, social and economic development in terms of:

- The use of the 10 principles set out in the United Nations Global Compact Principles as a guideline.
- The Broad-Based Black Economic Empowerment Act (including compliance with the Department of Trade and Industry's Codes of Good Practice), as well as the Employment Equity Act, Skills Development Act and the Preferential Procurement Framework Act (No 5 of 2000).
- The OECD recommendations regarding corruption.
- Good corporate citizenship, including the Group's:
  - promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
  - record of sponsorship, donations and charitable giving;
  - no tolerance of fraud or activities related to fraud; and
  - the Group's ESG strategy, roadmap and progress.
- The environment, occupational health and public safety.
- The impact of the Group's activities, products and services.
- Consumer relationships, such as advertising and public relations and compliance with consumer protection laws.
- Black economic empowerment in terms of equity ownership, enterprise and supplier development and socio economic development.
- Labour and employment, including:
  - Metrofile's standing in terms of the ILO protocol on decent work and working conditions;
  - human resources' development;
  - employment equity;
  - skills development;
  - the Group's employment relationships and its contribution toward the educational development of its employees.

The Committee considers all relevant regulatory developments and advises the Group to comply with policies, guidelines and standards applicable to transformation, society and ethics.

The Committee monitors Metrofile's procurement policies and practices to ensure that they comply with applicable legislation and regulation in support of Metrofile's transformation, social and ethics standards.

The Chairman of the Committee reports to the Board any concerns, findings or recommendations for consideration, review and necessary decision-making. The Chairman of the Committee attends the Group's Annual General Meeting and reports to shareholders on the matters within the Committee's mandate.

In assisting the Board in ensuring that the Metrofile Group acts as a good and responsible corporate citizen, the Committee is satisfied that it has discharged all its duties and fulfilled its responsibilities in accordance with its charter and as prescribed by the Companies Regulations to the Companies Act of South Africa, and further that there are no instances of material non-compliance to disclose for the period under review and up to the date of this report.

Mary Bomela
Social, Ethics and Transformation Committee Chairman

16 September 2024

Independent auditor's report

To the Shareholders of Metrofile Holdings Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Metrofile Holdings Limited (the group and company) set out on pages 12 to 60, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and the consolidated and separate statements of other comprehensive income, 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 Metrofile Holdings Limited as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 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' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How the matter was addressed in the audit
Impairment and Reallocation of Goodwill As per note 14 to the consolidated financial statements, the group recognises material amounts of goodwill. We have determined the work on the impairment calculations across the group as a matter of most significance to our current year audit of the consolidated financial statements, for the following reasons; • A significant amount of audit effort, as well as the involvement of an auditor expert, in auditing the recoverability of the amounts, was required; • Significant estimates and judgments were applied by management in the discounted cash flow model; due to the uncertainty and complexity of reliably estimating cash flow in the near and medium term; and • The complexity of the macroeconomic inputs and estimates related to each region relevant to the assessment of the respective cash generating units (CGUs). The key assumptions with the most significant impact on the cash flow forecasts were: • Revenue growth rates; • Cost growth rates; and • discount rates, which are based on the weighted average cost of capital (WACC). The determination of the WACC is highly complex.	Our audit procedures included, amongst other, the following: • We performed a walkthrough to understand the impairment analysis and calculation process (e.g., controls over key inputs and assumptions employed by management), the level of review of forecast data related to future years, as well as how vital inputs were obtained. We assessed the design and implementation of the relevant controls over the impairment calculations; • We assessed whether goodwill has been allocated to the correct CGU, by obtaining an understanding of the origin of the goodwill balances; • We obtained management's impairment assessment for each CGU as at 30 June 2024; • We evaluated the model's predicted cash flows by; – Performing a retrospective assessment of management's historical forecasts against actual financial performance information; – Assessing the external inputs used by management to determine revenue growth rates and expenses, against available market data and our own analyses of comparable data; – Comparing forecasted revenue and cost growth to actual growth rates achieved in past years, considering any adjustments made for relevant macroeconomic variables; – Comparing projected working capital movements to historical performance, as well as considering the reasonability of adjustments made by management; and

Independent auditor's report continued

To the Shareholders of Metrofile Holdings Limited

Key audit matter	How the matter was addressed in the audit
	– Performing a scenario analysis by considering the impact on the recoverable amount for reasonably possible in the inputs to the models. We furthermore assessed the outcomes of each scenario analysis against management's calculation of the recoverable amount. • Making use of our corporate finance expertise, we assessed the WACC rates and the valuation model by: – Assessing the methodology used to compute the WACC against inputs relating to comparable peers, and evaluating the WACC rates using the group debt allocation to each CGU; – Assessing the appropriateness of the Beta, market risk premium, cost of debt, capital structure, and tax rate used in the computation of the WACC against market information for comparable companies; – Assessing the mathematical accuracy of the valuation model; – Assessing the adequacy of the model used to compute the value-in-use. This included an assessment of the methodology used in the model and its suitability against generally recognised valuation methodologies; – Performing a sensitivity analysis using our determined WACC ranges to compute a range of potential outcomes based on the extent of the headroom between carrying value and recoverable amount; and – Calculating the pre-tax rates as required by IAS36.
Furthermore, as per note 14 to the consolidated financial statements, following management's decision to sell the manufacturing assets of the products division of Tidy Files and the continuation of the reseller business within Metrofile Proprietary Limited, the goodwill of R54 million in the Tidy Files CGU was reallocated based on the relative values of the three divisions, namely, Product, Storage and Digital Services.	• In respect of the re-allocation of goodwill: – We assessed management's basis of the reallocation method and considered whether this is in line with IAS 36 Impairment of Assets. – We reperformed the reallocation. • We evaluated the adequacy of the disclosures in the consolidated financial statements against the requirements of IFRS Accounting Standards, with reference to the results of our assessments and audit procedures over the group's impairment calculations and the reallocation of the goodwill balance.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Metrofile Holdings Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Report of the directors', the Audit, Governance and Risk Committee's report, the Social, Ethics and Transformation Committee report and the Certificate by Company Secretary's as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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.

Independent auditor's report continued

To the Shareholders of Metrofile Holdings Limited

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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 the 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 and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Metrofile Holdings Limited for two years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Mandisi Mantyi
Director
Registered Auditor

16 September 2024

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statements of profits or loss
For the year ended 30 June 2024

R'000	Notes	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
Revenue	3	**1 140 546**	1 134 380	**–**	–
Materials and consumables		(128 549)	(127 594)	–	–
Staff costs		(413 455)	(379 074)	–	–
Other operating expenses		(336 712)	(299 022)	(1 942)	(1 467)
Other operating income		25 507	15 992	–	–
Operating profit/(loss) before interest, taxation, depreciation and amortisation (EBITDA)		**287 337**	344 682	**(1 942)**	(1 467)
Depreciation on property, plant and equipment		(37 603)	(38 128)	–	–
Depreciation on right-of-use asset		(36 162)	(38 757)	–	–
Amortisation		(13 802)	(13 177)	–	–
Operating profit/(loss) before items below		**199 770**	254 620	**(1 942)**	(1 467)
Retrenchment and closure costs	4	(19 914)	–	–	–
Impairment of investment in subsidiary	35.1	–	–	(38 825)	–
Reversal of loan impairment	35.1	–	–	56 913	–
Impairment of goodwill	14.3	(53 588)	–	–	–
Operating profit/(loss)	5	**126 268**	254 620	**16 146**	(1 467)
Net finance costs		**(67 533)**	(57 619)	**–**	–
Finance income	7	688	5 777	–	–
Finance costs	8	(68 221)	(63 396)	–	–
Profit/(loss) before taxation		**58 735**	197 001	**16 146**	(1 467)
Taxation	6	(36 119)	(57 912)	–	–
Profit/(loss) for the year		**22 616**	139 089	**16 146**	(1 467)
Attributable to:					
Owners of the parent		16 615	137 914	16 146	(1 467)
Non-controlling interests		6 001	1 175	–	–
Profit/(loss) for the year		**22 616**	139 089	**16 146**	(1 467)
Profit/(loss) attributable to owners of the parent:					
Basic earnings per share (cents)	9.1	3.9	32.1	–	–
Diluted earnings per share (cents)	9.1	3.8	30.9	–	–

Statements of other comprehensive income

For the year ended 30 June 2024

	Consolidated		Company	
R'000	2024	2023	2024	2023
Profit/(loss) for the year	**22 616**	139 089	**16 146**	(1 467)
Other comprehensive income for the year	–	–	–	–
Currency movement on translation of foreign subsidiaries	(4 141)	(1 048)	–	–
Total comprehensive income/(loss) for the year	**18 475**	138 041	**16 146**	(1 467)
Attributable to:				
Owners of the parent	12 688	134 607	16 146	(1 467)
Non-controlling interests	5 787	3 434	–	–

Statements of financial position

As at 30 June 2024

		Consolidated		Company	
R'000	Notes	2024	2023	2024	2023
ASSETS					
Non-current assets					
Property, plant and equipment	11	611 966	606 524	–	–
Right-of-use assets	12	104 413	111 818	–	–
Intangible assets	13	60 854	69 794	–	–
Goodwill	14	307 107	373 542	–	–
Investment in unlisted subsidiaries	35.1	–	–	225 193	264 018
Long-term vendor consideration		–	3 500	–	–
Amounts owing by subsidiaries (non-interest-bearing)	35.1	–	–	–	13 552
Deferred taxation assets	6.4	16 295	17 080	–	–
Total non-current assets		**1 100 635**	1 182 258	**225 193**	277 570
Current assets					
Inventories	15	14 418	18 129	–	–
Trade receivables	17	231 452	243 490	–	–
Other receivables	17	72 713	65 834	312	257
Taxation receivable		12 736	6 999	–	–
Cash and cash equivalents	16	62 169	58 632	8	–
		393 488	393 084	320	257
Assets classified as held for sale	18	15 000	–	–	–
Total current assets		**408 488**	393 084	**320**	257
Total assets		**1 509 123**	1 575 342	**225 513**	277 827
EQUITY AND LIABILITIES					
Equity					
Ordinary share capital and share premium	19	535 681	540 072	875 780	875 780
Accumulated (loss)/profit		(21 948)	23 683	(681 029)	(627 783)
Other reserves	20	2 372	(1 196)	–	–
Equity attributable to owners of the parent		516 105	562 559	194 751	247 997
Non-controlling interests		6 133	6 069	–	–
Total equity		**522 238**	568 628	**194 751**	247 997
Non-current liabilities					
Interest-bearing liabilities	22.1	599 525	–	–	–
Lease liabilities	22.2	90 251	101 902	–	–
Deferred taxation liabilities	6.4	48 803	49 313	–	–
Total non-current liabilities		**738 579**	151 215	**–**	–
Current liabilities					
Trade and other payables	23	153 983	120 193	2 643	2 003
Provisions	29	22 874	19 193	–	–
Deferred revenue	30	19 786	22 197	–	–
Taxation payable		12 473	13 273	–	–
Interest-bearing liabilities	22.1	–	491 313	–	–
Amounts owing to subsidiaries (non-interest-bearing)	35.1	–	–	28 119	27 790
Lease liabilities	22.2	39 180	34 367	–	–
Acquisition related liabilities	34	–	91 924	–	–
Bank overdraft	16	10	63 039	–	37
Total current liabilities		**248 306**	855 499	**30 762**	29 830
Total equity and liabilities		**1 509 123**	1 575 342	**225 513**	277 827

Statements of changes in equity
For the year ended 30 June 2024

R'000	Notes	Share capital	Share premium	Accumulated profit/ (loss)	Other reserves	Attributable to owners of the parent	Non-controlling interests	Total equity
CONSOLIDATED								
Balance as at 30 June 2022		2 675	571 158	(14 007)	(235)	559 591	18 285	577 876
IFRS 2 expense	20	–	–	–	2 346	2 346	–	2 346
Dividends declared		–	–	(77 477)	–	(77 477)	(5 540)	(83 017)
Transactions with non-controlling interests	36	–	–	(22 747)	–	(22 747)	(10 110)	(32 857)
Share buy-back	19	–	(33 761)	–	–	(33 761)	–	(33 761)
Total comprehensive income for the year ended 30 June 2023		–	–	137 914	(3 307)	134 607	3 434	138 041
Balance as at 30 June 2023		**2 675**	**537 397**	**23 683**	**(1 196)**	**562 559**	**6 069**	**568 628**
IFRS 2 expense	20	–	––	–	7 495	7 495	–	7 495
Dividends declared		–	–	(67 623)	–	(67 623)	(4 856)	(72 479)
Subsequent measurement of acquisition related liability	34	–	–	4 510	–	4 510	–	4 510
Transactions with non-controlling interests	36	–	–	867	–	867	(867)	–
Share buy-back	19	–	(4 391)	–	–	(4 391)	–	(4 391)
Total comprehensive income for the year ended 30 June 2024		–	–	16 615	(3 927)	12 688	5 787	18 475
Balance as at 30 June 2024		**2 675**	**533 006**	**(21 948)**	**2 372**	**516 105**	**6 133**	**522 238**
COMPANY								
Balance as at 30 June 2022		2 675	873 105	(548 250)	–	327 530		327 530
Dividends declared		–	–	(78 066)	–	(78 066)		(78 066)
Total comprehensive income for the year ended 30 June 2023		–	–	(1 467)	–	(1 467)		(1 467)
Balance as at 30 June 2023		**2 675**	**873 105**	**(627 783)**	**–**	**247 997**		**247 997**
Dividends declared		–	–	(69 392)	–	(69 392)		(69 392)
Total comprehensive income for the year ended 30 June 2024		–	–	16 146	–	16 146		16 146
Balance as at 30 June 2024		**2 675**	**873 105**	**(681 029)**	**–**	**194 751**		**194 751**

Statements of cash flows
For the year ended 30 June 2024

		Consolidated		Company	
R'000	Notes	2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from/(utilised by) operations before net working capital changes		266 922	344 430	(1 942)	(1 467)
Decrease/(increase) in net working capital		42 065	(68 520)	93	(107)
Cash generated from/(utilised by) operations	31.1	308 987	275 910	(1 849)	(1 574)
Net finance costs		(67 920)	(57 569)	–	–
Finance costs paid		(68 608)	(63 346)	–	–
Finance income received		688	5 777	–	–
Normal taxation paid	31.2	(41 692)	(56 601)	–	–
Net cash inflow/(outflow) from operating activities		**199 375**	161 740	**(1 849)**	(1 574)
Cash flows from investing activities					
Capital expenditure: expansion	31.9	(48 504)	(33 819)	–	–
Capital expenditure: replacement	31.9	(4 477)	(13 223)	–	–
Long-term vendor cash received		3 500	–	–	–
Proceeds from disposal of property, plant and equipment		1 986	511	–	–
Proceeds from loans to subsidiaries	31.3	–	–	13 552	52 888
Net cash (outflow)/inflow from investing activities		**(47 495)**	(46 531)	**13 552**	52 888
Cash flows from financing activities					
Advances of loans from subsidiaries	31.4	–	–	57 242	25 890
Repayment of interest-bearing liabilities	31.7	–	(40 041)	–	–
Interest-bearing liabilities raised	31.7	108 584	50 000	–	–
Payment of lease liabilities	31.6	(36 037)	(33 677)	–	–
Purchase of treasury shares		(4 391)	(33 761)	–	–
Settlement of aquisition related liabilities	34	(79 719)	–	–	–
Acquisition of non-controlling interest	34	–	(15 286)	–	–
Dividends paid to non-controlling interest		(4 856)	(5 540)	–	–
Dividends paid	31.8	(66 135)	(77 114)	(68 900)	(77 510)
Net cash outflow from financing activities		**(82 554)**	(155 419)	**(11 658)**	(51 620)
Net increase/(decrease) in cash and cash equivalents		69 326	(40 210)	45	(306)
(Overdraft)/cash and cash equivalents at the beginning of the year		(4 407)	34 936	(37)	269
Effects of exchange rate movement on cash balances		(2 760)	867	–	–
Cash and cash equivalents/(overdraft) at the end of the year	16	**62 159**	(4 407)	**8**	(37)
Represented by:		62 159	(4 407)	8	(37)
Cash and cash equivalents		62 169	58 632	8	–
Bank overdraft		(10)	(63 039)	–	(37)

Notes to the annual financial statements
For the year ended 30 June 2024

1. New standards and interpretations

1.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/interpretation	Effective date (years beginning on or after):
– IAS 1 Presentation of Financial Statements and IFRS Practice Statement 1 (Amendment – Disclosure of Accounting Policies)	01 January 2023
– IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Accounting Estimates)	01 January 2023
– IAS 12 Income Taxes (Amendment – International Tax Reform – Pillar Two Model Rules)	Immediately and retrospective
– IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023

The amendments listed above did not have a material impact on the amounts recognised in the current or prior periods.

New or revised accounting standards and amendments to existing standards not yet effective:

At the date of authorisation of the annual financial statements, the following standards, interpretations and amendments applicable to the Group were in issue but not yet effective. These are unlikely to have a material impact on the Group.

Standard/interpretation	Effective date (years beginning on or after):
– IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	01 January 2024
– IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with Covenants)	01 January 2024
– IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements)	01 January 2024
– IFRS 16 Leases (Amendment – Lease Liability in a Sale and Leaseback)	01 January 2024
– IAS 21 The Effects of Changes in Foreign Exchange Rates Amendment – Lack of Exchangeability)	01 January 2025
– IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027

2. Significant accounting policies

Basis of accounting and reporting

The consolidated and separate annual financial statements ("annual financial statements") as set out on pages 1 to 60 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Significant details of the Group's accounting policies are set out below and are consistent with those applied in the previous year.

These annual financial statements were prepared according to IFRS Accounting Standards as issued by the International Accounting Standards Board, the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act), the Listings Requirements of the JSE Limited, (JSE).

These consolidated financial statements are presented in South African rand which is the presentation currency of the Group.

Notes to the annual financial statements continued

For the year ended 30 June 2024

2. Significant accounting policies continued

In the application of the Group's accounting policies, which are described below, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.1 Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the separate and consolidated annual financial statements.

Significant judgements, assumptions and estimation uncertainty

Impairment of goodwill

Significant judgements and estimations/assumptions are exercised by the directors in evaluating the recoverability of the goodwill allocated to all CGUs respectively with the revenue growth rates being the most significant assumptions impacting the valuation.

The Group tests goodwill for impairment on an annual basis or whenever there is an impairment indicator identified by management, in accordance with the accounting policy disclosed in 2.3 below.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Refer to note 14.2 for significant judgements made by management for assessing goodwill for impairment.

The input factors most sensitive to change are disclosed in note 14.

Accumulated goodwill impaired as at 30 June 2024 related to the impairment of goodwill in MRM Kenya CGU and Tidy Files. Refer to note 14 for detailed disclosure.

Goodwill reallocation

Following management's decision to sell the manufacturing assets of the products division of Tidy Files, and the continuation of the reseller business within Metrofile SA, the Tidy Files' goodwill was then reallocated based on relative values of the divisions, namely, product, storage and digital services (BOS division that moved to Vysion). VIU models were prepared to support the reallocation. Refer to note 14 for further detail.

Recoverability of deferred tax assets

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, based on business plans which include estimates and assumptions regarding economic growth, interest and inflation rates and market conditions. The inputs used in forecasting estimated taxable income, such as growth rates, margins, etc., are consistent with those used in forecasting cash flows for other asset impairment testing and would align with the Group's annual budgets approved by executive management. Refer to note 6.5 for detailed disclosure.

Asset lives and residual value of property, plant and equipment

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Buildings are only depreciated if their carrying amounts exceed their anticipated residual values. Management has obtained an open market valuation from an independent expert and where the residual value of the buildings exceed their cost, no depreciation is required. Residual values and useful lives were reviewed as at 1 July 2023. The changes made were considered to be a change in estimate and therefore the changes were applied prospectively. Refer to note 11 for detailed disclosure.

Impairment testing of properties

Cash flows of the properties are largely dependent on MRM South Africa. The impairment assessments on the properties are performed as part of the value-in-use of the MRM South Africa CGU. Based on the assessment, no impairment was required.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.1 Critical accounting judgements and key sources of estimation uncertainty continued

Expected credit loss (ECL) allowances

Expected credit loss (ECL) allowances are raised against trade receivables using the ECL model based on historical credit losses as well as adjusted for forward-looking factors. Refer to note 17.

The following forward-looking factors are considered:
- customers' cash flow forecasting; and
- trading economic environment.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The Group's IBR ranged between 6% – 15% depending on the region.

Measurement of fair value of properties

Land and buildings are carried at cost. Their fair value is disclosed in the annual financial statements as this information is considered relevant to users.

Fair value hierarchy

The fair value of properties is determined by an external independent property valuation expert having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, on an annual basis in line with Group policy.

Fair value measurement has been categorised as a Level 3 in the fair value hierarchy, based on the inputs of the valuation techniques used.

The valuation techniques used in measuring the fair value of the properties are summarised below:

Valuation technique

The Income Capitalisation Approach was used to value properties. The valuation model used the estimated net annual income from the property, capitalised at an investment yield considered suitable for the premises, bearing in mind the type of development, its position as well as the age and condition of the buildings. This approach is the norm in valuing commercial property.

Vacant land has been valued using the direct comparable approach. This is a direct comparison of recent sales of similar properties with necessary adjustments made for the subject property, so as to determine the value that the market would place on it.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.2 Basis of consolidation

The Group comprises Metrofile Holdings Limited and its subsidiaries.

The consolidated annual financial statements incorporate the annual financial statements of the Company and entities controlled by the Company (its subsidiaries).

Control is achieved when the Company:
– has power over the investee;
– is exposed, or has rights, to variable returns from its involvement with the investee; and
– has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In preparing the annual financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

The following average and spot rates were used in the translation of the foreign subsidiaries:

	2024		2023	
	Average rate	Spot rate	Average rate	Spot rate
Mozambique	**3.422**	**3.511**	3.589	3.388
United Arab Emirates	**0.197**	**0.202**	0.207	0.195
Botswana	**0.728**	**0.744**	0.734	0.715
Kenya	**7.695**	**7.114**	7.091	7.456

Redemption liability
The redemption liability relating to the obligation to pay in cash in the future to purchase non-controlling interest must be recognised by the purchaser, even if the payment is conditional on the option being exercised by the holder.

The redemption liability is recognised as a financial liability at the present value of the redemption amount. On consolidation, the initial redemption liability is recognised as a reduction of the Group's equity, as the risk and rewards remain with the non-controlling interest.

On subsequent measurement, the adjustments to the redemption liability are recognised directly in equity as these are transactions with equity holders as there is no change in control.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.1 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGUs that are expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Goodwill is tested for impairment on an annual basis (refer to note 2.1) and whenever there is an indicator of impairment. The discounted cashflow method is used to test for impairment. The key assumptions for the calculations are those regarding the discount rates, growth rates, terminal rates and management's estimates of future cash flows.

2.4 Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be measured initially either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2.5 Revenue recognition

Metrofile Holdings Limited is an investment holding company and its main source of revenue being dividend income received from its subsidiary companies.

Revenues by subsidiary companies comprise the following:
– Secure storage;
– Digital services;
– Products and solutions; and
– Business support services.

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

Notes to the annual financial statements continued

For the year ended 30 June 2024

2. Significant accounting policies continued

2.5 Revenue recognition continued

Secure storage

The Group provides secure storage (physical and digital) to customers. This revenue stream includes storage services and other services related to activities around boxes.

- Storage revenue is recognised when the service is performed as the storage space is available over time.
- Storage service related revenue is recognised at a point in time when the service is rendered.

Storage services are viewed as a single performance obligation. Once the service is provided, the customer is invoiced and the related receivable is recognised by the Group.

Digital services

Digital service revenues comprise cloud hosting, image processing, workflow solutions and the right to use software. Digital service revenues are recognised when the service is performed over time. Once the service is provided, the customer is invoiced and the related receivable is recognised. Digital services are viewed as a single performance obligation.

Products and solutions

Sales of hardware, consumables, spare parts and paper media are recognised when the goods are delivered and title has passed. As a consequence, revenue is recognised when the related product is delivered and the services are rendered and the right to consideration becomes unconditional. The sale of products and solutions is viewed as a single performance obligation and recognised at a point in time.

Business support services

Business support service revenues comprise shredding and continuity services. Shredding services are viewed as a single performance obligation and are recognised at a point in time. Business continuity services are recognised over time as the services are received by the customer. Once the service is provided, the customer is invoiced and the related receivable is recognised by the Group.

Billing and payment terms

Where revenues are billed in advance in terms of long-term contracts, the revenues are deferred and recognised over the period of the contract as the services are rendered. As a consequence this revenue type is recognised over the period of the contract.

Payment terms relating to revenue do not have a significant financing component and are not variable. Deferred revenue is expected to be recognised as revenue within the next 12 months as performance obligations are satisfied.

2.6 Interest and dividend income

Interest income is accrued on a time basis, by reference to the principle amount outstanding and at the effective rate that exactly discounts estimated future cash receipts through the expected useful life of the financial asset to that asset's net carrying amount.

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

2.7 Lease accounting

The Group recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease liabilities) from the lease commencement date of the underlying asset being leased.

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The cost includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to dismantle or destroy the underlying asset, less lease incentives received where applicable. The right-of-use asset is subsequently depreciated using the straight-line method over the earlier of the useful life of the underlying asset or the period of the lease term. In addition, the right-of-use asset is reduced by impairment losses if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the Group entity uses the incremental borrowing rate. This is the rate of interest that the Group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.7 Lease accounting continued

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments;
- Variable lease payments that depend on an index or rate;
- Amounts expected to be payable under residual value guarantees;
- Amounts in an optional renewal lease period if the group is reasonably certain to exercise an extension option;
- The exercise price of a purchase option that the Group is reasonably certain to exercise; and
- Penalties for early termination of the lease unless the Group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments, a change in the Group's estimate of amounts expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and capitalised lease liabilities in the statements of financial position as its own category.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied the integrally linked approach in respect of the tax consequences of lease contracts. At inception of a lease and on the transition date no deferred taxes are recognised as no temporary differences arise between the tax base and carrying amount of the net lease asset or liability (without taking into account advance payments). Subsequent to initial recognition, deferred taxes are recognised when temporary differences arise.

The Group's leases do not impose covenants, but leased assets may not be used as security for borrowing purposes.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is recognised on 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, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.9 Property, plant and equipment

Land is stated at cost whilst other fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised in profit and loss and is calculated on the straight-line basis, so as to write the cost of the assets down to their residual values, at the following rates, which are considered to approximate the estimated useful lives of the assets concerned.

	2024	2023
Buildings	2%	2%
Plant and equipment	6.7% – 20%	6.7% – 20%
Leasehold improvements	25%	25%
Motor vehicles	6.7% – 14%	16.7%
Furniture and fittings	10%	10%
Office equipment	20%	20%
Computer equipment	14% – 20%	14% – 33.3%

The directors review the residual values and useful lives of depreciable assets each financial year-end. Useful lives are determined in terms of the assets' expected use to the Group and based on the experience of the Group's similar assets. Where residual values exceed cost, no depreciation is required.

Assets not ready for use are included in the cost of the asset. Depreciation is taken into account when the asset is ready for use.

2.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill and are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Amortisation is recognised on a straight-line basis over their estimated useful lives, on the following basis:

Customer based intangible asset	10%
Computer software	10% – 50%

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.11 Inventories

Cost is calculated using the weighted average cost basis and is stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The cost of inventories comprises all costs of materials, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Redundant and slow-moving inventory items are identified and written down to their estimated economic or realisable value.

2.12 Financial instruments

Financial assets and financial liabilities are recognised on the consolidated and separate statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below.

Financial assets
Trade receivables and loan receivables are classified as amortised cost.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and loan receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Debt instruments at amortised cost are recognised net of an allowance for ECL.

Financial liabilities
All financial liabilities are initially measured at amortised cost and subsequently amortised using the effective interest method.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. Gains or losses are recognised in the statement of profit or loss when the liability is derecognised.

Intercompany loans receivable and loans payable
The Company recognises intercompany loans receivable as non-current assets due to these loans having no specified terms of repayment and such repayment is not expected to be received in the next 12 months.

The Company recognises intercompany loan payables as current liabilities because the Company does not have the unconditional right to defer settlement for at least 12 months after reporting date.

Notes to the annual financial statements continued
For the year ended 30 June 2024

2. Significant accounting policies continued

2.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation in the next 12 months. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2.14 Share-based payments

The Group issues certain equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on the straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. The valuation approach was based on a risk-neutral valuation principle, excluding marketability assessments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.15 Operating profit/(loss) before interest, taxation, depreciation and amortisation (EBITDA)

The measurement of EBITDA is specific to Metrofile Holdings Limited and is not required in terms of IFRS Accounting Standards. EBITDA is determined by adjusting operating profit/loss before interest, taxation, depreciation and amortisation, impairments on goodwill, retrenchment and closure costs, profit/loss on sale of businesses during the year as well as acquisition costs. The measurement of EBITDA is not comparable to other entities.

2.16 Normalised headline earnings

The measure of normalised headline earnings is specific to Metrofile Holdings Limited and is not required in terms of International Financial Reporting Standards or the JSE Listings Requirements. Normalised headline earnings represent earnings from the recurring activities of the Group. This is determined by adjusting the headline earnings attributable to the owners of Metrofile Holdings Limited for non-recurring expense or income items incurred during the year as identified by management. The items adjusted are not comparable to other entities.

	Consolidated		Company	
R'000	2024	2023	2024	2023
3. Revenue				
Revenue	**1 140 546**	1 134 380	**–**	–

Disaggregation of revenue is done by revenue streams and geographical region. Refer to the segment reporting note 33 for further disclosure on disaggregation.

4. Retrenchment and closure costs

The Tidy Files business consisted of the manufacture of files and folders, reseller of archiving products, secure storage, and business outsourced services. During the period under review, a decision was made to proceed with the closure of the manufacturing component of Tidy Files. This initiated a closure process within this operation as well as a sale process of the manufacturing assets and the Tidy Files brand name. Metrofile continues to trade with all other components of the Tidy Files business. The closure of the manufacturing component of Tidy Files has resulted in expected retrenchment and closure costs of R16.6 million. The corresponding provision has been raised as at 30 June 2024. Refer to note 29.

Due to cost reduction initiatives, retrenchment costs of R3.3 million were incurred in Metrofile (Pty) Ltd and other subsidiaries.

Notes to the annual financial statements continued
For the year ended 30 June 2024

		Consolidated		Company	
	R'000	2024	2023	2024	2023
5.	**Operating profit/(loss)**				
	Operating profit/(loss) is stated after accounting for the following:				
	Auditors' remuneration	**6 232**	4 201	**761**	427
	Depreciation on property, plant and equipment	**37 603**	38 128	**–**	–
	Depreciation on right-of-use asset	**36 162**	38 757	**–**	–
	Amortisation of intangible assets	**13 802**	13 177	**–**	–
	Managerial, secretarial and technical fees	**25 242**	26 690	**–**	–
	IFRS 2 expense	**7 456**	2 346	**–**	–
	Profit on sale of property, plant and equipment	**480**	293	**–**	–
	Staff costs	**413 455**	379 074	**–**	–
	Number of employees at year-end was 1 324 (2023: 1 234).				
6.	**Taxation**				
6.1	**Current taxation**				
	Current year	30 449	52 516	–	–
	Prior year	4 706	9 247	–	–
		35 155	61 763	**–**	–
6.2	**Deferred taxation**				
	Current year	1 535	(3 851)	–	–
	Prior year	(571)	–	–	–
		964	(3 851)	**–**	–
		36 119	57 912	**–**	–
6.3	**Taxation reconciliation**				
	Profit/(loss) before taxation	**58 735**	197 001	16 146	(1 467)
	Taxation at statutory taxation rate of 27% (2023: 27%)	**15 858**	53 190	4 359	(396)
	Non-deductible finance costs	885	206	–	–
	Non-taxable fair value adjustment	(927)	–	–	–
	Goodwill impairment	14 469	–	–	–
	Prior year under provision of taxation	4 135	9 247	–	–
	Deferred tax asset not raised	727	1 532	525	396
	Reversal of loan impairment	–	–	(15 367)	–
	Impairment of investment	–	–	10 483	–
	Tax loss utilised	(266)	–	–	–
	Statutory taxation rate difference due to foreign subsidiaries	736	(5 935)	–	–
	ETI deduction already allowed	(89)	(162)	–	–
	Withholding tax	2 489	902	–	–
	Deductible allowances (learnership allowance)	(1 898)	(1 068)	–	–
	Actual taxation charged	**36 119**	57 912	**–**	–

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
6. Taxation continued				
6.4 Deferred taxation				
Property, plant and equipment	(53 666)	(44 963)	–	–
Intangible assets	(9 484)	(12 470)	–	–
Right-of-use assets*	(27 997)	(25 897)	–	–
IFRS 2 charge relating to share schemes	4 428	2 416	–	–
Prepayments	(523)	(445)	–	–
Provisions	11 697	13 876	–	–
Lease liabilities*	33 212	31 085	–	–
Deferred revenue	3 930	3 445	–	–
Estimated tax losses	5 895	720	–	–
	(32 508)	(32 233)	**–**	–
Net deferred taxation liability				
Opening balance	(32 233)	(36 025)	–	–
(Charge)/credit for the year	(964)	3 851	–	–
Foreign currency translation effect	689	(59)	–	–
Closing balance	**(32 508)**	(32 233)	**–**	–
Deferred taxation asset	16 295	17 080	–	–
Deferred taxation liability	(48 803)	(49 313)	–	–

* *The deferred tax relating to the right-of-use assets of R12.1m and lease liabilities of R12.1m relating to a subsidiary was disclosed on a net basis in the comparative period. Accordingly, the disclosure has been re-presented in the comparative period to reflect the amounts in deferred tax separately. As a result, deferred tax on right-of-use assets increased from R13.8m to R25.9m and deferred tax on lease liabilities increased from R19.0m to R31.1m.*

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
6.5 Taxation losses				
Deferred tax asset raised on estimated tax losses available for offset against future taxable income amount to:	20 985	2 668	–	–
Based on management's most recent forecast financial information, this balance recognised is supported by sufficient future taxable profits anticipated to be generated within the next five years.				
Estimated assessed losses	82 974	80 281	78 883	76 941
These assessed losses are unlikely to be used in the foreseeable future by normal operations and accordingly no deferred taxation asset has been raised. There are no expiry dates applicable to these assessed losses.				
7. Finance income				
Interest income	688	5 777	–	–
	688	5 777	**–**	–
8. Finance costs				
Interest on bank overdrafts and loans	54 362	49 287	–	–
Finance costs on lease liabilities	13 859	14 060	–	–
Other interest expense	–	49	–	–
	68 221	63 396	**–**	–

Notes to the annual financial statements continued
For the year ended 30 June 2024

	Consolidated	
	2024	2023
9. Earnings per ordinary share		
9.1 Earnings – basic		
Earnings for purposes of earnings per share	16 615	137 914
Effect of dilutive potential ordinary shares	–	–
Earnings for purposes of diluted earnings per share	16 615	137 914
Number of shares – earnings per share		
Number of ordinary shares in issue ('000)	422 175	423 655
Weighted average number of ordinary shares in issue ('000)	422 634	429 229
Diluted weighted average number of shares in issue ('000)*	440 329	446 426
Basic earnings per share (cents)	3.9	32.1
Diluted earnings per share (cents)	3.8	30.9

* *Dilutive shares for the year ended 30 June 2024 amounted to 17 695 shares (2023: 17 197).*

9.2 Headline earnings

Basis for calculation

The calculation of headline earnings per ordinary share is based on headline earnings of R70 million (2023: R138 million) and a weighted average number of 422.6 million (2023: 429.2 million) ordinary shares in issue during the year.

This basis is a measure of the trading performance and excludes profits and losses of a capital nature. It is derived, after taxation and non-controlling interests, as follows:

	Consolidated	
R'000	2024	2023
Profit attributable to owners of the parent	16 615	137 914
Profit on disposal of plant and equipment	(480)	(293)
Impairment of goodwill	53 588	–
Tax effect of above items	130	79
Headline earnings	**69 853**	137 700
Reconciliation of normalised headline earnings		
Headline earnings	69 853	137 700
Retrenchment and closure costs	19 914	–
Tax effect of above items	(5 377)	–
Normalised headline earnings	**84 390**	137 700
Weighted average number of shares in issue ('000)	422 634	429 229
Diluted weighted average number of shares in issue ('000)*	440 329	446 426
Earnings per share (cents)		
– Basic	3.9	32.1
– Diluted	3.8	30.9
Headline earnings per share (cents)		
– Basic	16.5	32.1
– Diluted	15.9	30.8
Normalised headline earnings per share (cents)		
– Basic	20.0	32.1
– Diluted	19.2	30.8
Dividend per share (cents)	14.0	18.0
– Interim dividend per share paid	7.0	9.0
– Final dividend per share proposed	7.0	9.0

* *Dilutive shares for the year ended 30 June 2024 amounted to 17 695 shares (2023: 17 197).*

Notes to the annual financial statements continued
For the year ended 30 June 2024

R	Directors' fees approved	Salary	Bonuses	Retirement benefit contributions	Other benefits/ share-based payments	Total
10. Directors' remuneration						
2024						
PG Serima	–	6 465 405	5 418 796	372 600	224 140	12 480 941
S Mansingh	–	3 943 709	2 070 500	402 291	120 456	6 536 956
MS Bomela*▲	–	–	–	–	–	–
DL Storom*▲	–	–	–	–	–	–
A Khumalo*^	768 984	–	–	–	–	768 984
P Langeni*^	1 768 665	–	–	–	–	1 768 665
LE Mthimunye*^	1 009 710	–	–	–	–	1 009 710
CS Seabrooke*^	1 033 114	–	–	–	–	1 033 114
STM Seopa*^	700 662	–	–	–	–	700 662
SV Zilwa*$	1 364 112	–	–	–	–	1 364 112
L Rood *^ (alternate)	–	–	–	–	–	–
	6 645 247	**10 409 114**	**7 489 296**	**774 891**	**344 596**	**25 663 144**

Non-executive director
^ *Independent director*
$ *Lead independent director*
▲ *An amount of R2.4 million (2023: R2.3 million) was also paid to Mineworkers Investment Company (Pty) Ltd for services, inclusive of the non-executive and committee roles performed by MS Bomela and L Storom.*

R	Directors' fees approved	Salary	Bonuses	Retirement benefit contributions	Other benefits/ share-based payments	Total
2023						
PG Serima	–	5 705 748	3 803 625	372 600	129 446	10 011 419
S Mansingh	–	3 312 375	1 521 140	393 813	71 722	5 299 050
MS Bomela*▲	–	–	–	–	–	–
DL Storom*▲	–	–	–	–	–	–
A Khumalo*^	618 216	–	–	–	–	618 216
P Langeni*^	1 668 552	–	–	–	–	1 668 552
LE Mthimunye*^	952 557	–	–	–	–	952 557
CS Seabrooke*^	974 636	–	–	–	–	974 636
STM Seopa*^	600 662	–	–	–	–	600 662
SV Zilwa*$	1 593 948	–	–	–	–	1 593 948
L Rood *^ (alternate)	–	–	–	–	–	–
	6 408 571	9 018 123	5 324 765	766 413	201 168	21 719 040

Non-executive director
^ *Independent director*
$ *Lead independent director*
▲ *An amount of R2.3 million (2022: R2.1 million) was also paid to Mineworkers Investment Company (Pty) Ltd for services, inclusive of the non-executive and committee roles performed by MS Bomela and L Storom.*

Notes to the annual financial statements continued

For the year ended 30 June 2024

10. Directors' remuneration continued

Conditional share plan (CSP) scheme allocation summary

2024	No of rights at beginning of period	Rights granted	Rights exercised	Rights cancelled	No of rights at end of period
PG Serima	6 850 788	1 875 223	–	–	8 726 011
S Mansingh	3 077 711	889 966	–	–	3 967 677
	9 928 499	**2 765 189**	**–**	**–**	**12 693 688**

2023	No of rights at beginning of period	Rights granted	Rights exercised	Rights cancelled	No of rights at end of period
PG Serima	5 164 266	1 686 522	–	–	6 850 788
S Mansingh	2 273 789	803 922	–	–	3 077 711
	7 438 055	2 490 444	–	–	9 928 499

Refer to note 21 for further disclosure on the CSP.

Notes to the annual financial statements continued
For the year ended 30 June 2024

Consolidated R'000	Land and buildings	Plant and equipment	Computer equipment	Motor vehicles	Furniture & fittings and office equipment	Total
11. Property, plant and equipment						
Cost						
At 1 July 2023	393 655	444 996	101 129	81 339	34 081	1 055 200
Additions	8 361	4 747	16 657	14 769	3 472	48 006
Assets classified as held for sale	(1 266)	(8 756)	(467)	(2 360)	(666)	(13 515)
Effect of foreign exchange differences	(502)	(1 602)	12	403	(185)	(1 874)
Disposals	9	(2)	(2 851)	(2 996)	(527)	(6 367)
At 30 June 2024	**400 257**	**439 383**	**114 480**	**91 155**	**36 175**	**1 081 450**
Accumulated depreciation and impairments						
At 1 July 2023	20 148	274 925	64 782	60 295	28 526	448 676
Depreciation	723	17 019	9 377	7 339	3 145	37 603
Assets classified as held for sale	(1 190)	(6 185)	(301)	(2 158)	(577)	(10 411)
Effect of foreign exchange differences	(494)	(3 298)	2 461	(15)	(177)	(1 523)
Disposals	(58)	290	(2 158)	(2 412)	(523)	(4 861)
At 30 June 2024	**19 129**	**282 751**	**74 161**	**63 049**	**30 394**	**469 484**
Net book value						
At 30 June 2024	**381 128**	**156 632**	**40 319**	**28 106**	**5 781**	**611 966**
Cost						
At 1 July 2022	388 235	426 602	90 466	78 372	31 285	1 014 960
Additions	5 319	11 543	9 371	3 508	2 257	31 998
Effect of foreign exchange differences	101	7 284	1 292	421	543	9 641
Disposals	–	(433)	–	(962)	(4)	(1 399)
At 30 June 2023	393 655	444 996	101 129	81 339	34 081	1 055 200
Accumulated depreciation and impairments						
At 1 July 2022	17 758	251 245	52 360	58 215	25 683	405 261
Depreciation	2 254	18 994	11 970	2 543	2 367	38 128
Effect of foreign exchange differences	136	4 874	452	318	480	6 260
Disposals	–	(188)	–	(781)	(4)	(973)
At 30 June 2023	20 148	274 925	64 782	60 295	28 526	448 676
Net book value						
At 30 June 2023	373 507	170 071	36 347	21 044	5 555	606 524

Land and buildings include leasehold improvements of R14.1 million (2023: R6.4 million).
The open market value of the properties was prepared by an independent expert. The open market value of the properties was based on the valuation done in 2024 and amounted to R817 million (2023: R767 million). No properties were impaired during the current year and prior year.

Based on management's assessment of residual value and useful lives the depreciation charge for the year was reduced by R8.3 million. The residual values were reassessed for motor vehicles and racking (included in the plant and equipment category above). Useful lives were reassessed for computer equipment, motor vehicles and plant and equipment. This was done in order to align useful lives in accordance with management's revised life expectancy of the assets and the expected value to be realised at the end of the assets' useful lives. The effect on depreciation has been taken into account in the current year and will continue to do so in the future in accordance with the policy. The effect of the change in estimate on future periods has not been disclosed as it is impracticable to estimate the effect.

Certain assets have been pledged as security against loans as detailed in note 22.1.

A register of land and buildings is available for inspection at the registered office of the Company.

Notes to the annual financial statements continued
For the year ended 30 June 2024

Consolidated R'000	Land and buildings
12. Right-of-use assets	
Cost	
At 1 July 2023	247 783
Additions	14 625
Modifications	13 851
Derecognition	(9 455)
Effect of foreign exchange differences	143
At 30 June 2024	**266 947**
Accumulated depreciation and impairments	
At 1 July 2023	135 965
Depreciation	36 162
Derecognition	(9 455)
Effect of foreign exchange differences	(138)
At 30 June 2024	**162 534**
Net book value	
At 30 June 2024	**104 413**
Cost	
At 1 July 2022	224 322
Additions*	11 035
Modifications*	9 639
Effect of foreign exchange differences	2 787
At 30 June 2023	247 783
Accumulated depreciation and impairments	
At 1 July 2022	94 740
Depreciation	38 757
Effect of foreign exchange differences	2 468
At 30 June 2023	135 965
Net book value	
At 30 June 2023	111 818

* *Lease modifications have been split out from additions to allow for comparability to current year disclosure.*

Right-of-use asset relates to property leased by the Group in terms of IFRS 16.

The related lease liability is presented in note 22.2.

Notes to the annual financial statements continued
For the year ended 30 June 2024

Consolidated R'000	Customer based intangible asset	Computer software	Total
13. Intangible assets			
Cost			
At 1 July 2023	80 182	65 195	145 377
Additions	–	4 975	4 975
Effect of foreign exchange differences	–	274	274
At 30 June 2024	**80 182**	**70 444**	**150 626**
Accumulated amortisation and impairments			
At 1 July 2023	38 942	36 641	75 583
Amortisation	8 512	5 290	13 802
Effect of foreign exchange differences	–	387	387
At 30 June 2024	**47 454**	**42 318**	**89 772**
Net book value			
At 30 June 2024	**32 728**	**28 126**	**60 854**
Cost			
At 1 July 2022	80 182	49 965	130 147
Additions	–	15 044	15 044
Effect of foreign exchange differences	–	186	186
At 30 June 2023	80 182	65 195	145 377
Accumulated amortisation and impairments			
At 1 July 2022	29 607	32 595	62 202
Amortisation	9 335	3 842	13 177
Effect of foreign exchange differences	–	204	204
At 30 June 2023	38 942	36 641	75 583
Net book value			
At 30 June 2023	41 240	28 554	69 794

Customer based intangible assets represent customer lists that arise in the purchase price allocation assessments on the acquisition of certain subsidiaries of the Group. The amortisation period is between 2 – 10 years. There was no impairment in the current year and prior year.

Computer software represents various purchased software that is used across the Group and developed software that is used by specific subsidiaries of the Group. The amortisation period is between 2 – 10 years (2023: 2 – 5 years). There was no impairment in the current year or prior year.

14. Goodwill

In line with the annual requirement to assess goodwill for impairment, the various cash generating units (CGUs) were assessed accordingly using the discounted cash flow method to determine the value-in-use. For the goodwill allocated to the asset held for sale, fair value less costs of disposal was used to assess for impairment.

Goodwill attributable to these CGUs was assessed for impairment and the following key assumptions were applied:
- Revenue growth rates of between 4% and 16% (2023: 5% – 16%).
- Cost growth rates of between 6% and 8% (2023: 4% – 12%).
- Discount rates (pre-tax WACC) of between 14% and 32% (2023: 14% – 30%).

14. Goodwill continued

R'000	Consolidated 2024	2023
Net carrying value of goodwill attributable to the following groups of CGUs:		
MRM South Africa	151 641	132 323
MRM Kenya	47 131	100 719
MRM Botswana	26 165	27 116
Tidy Files*	–	53 566
Vysion**	24 048	–
Global Continuity**	–	1 696
IronTree Internet Services	58 122	58 122
	307 107	373 542
Opening balance	373 542	372 193
Goodwill impaired	(53 588)	–
Goodwill transferred to assets held for sale*	(11 896)	–
Effects of foreign exchange differences	(951)	1 349
Closing balance	**307 107**	373 542

* *Following management's decision to sell the manufacturing assets of the products division of Tidy Files, and the continuation of the reseller business within MRM SA, the goodwill was reallocated based on relative values of the divisions, namely, Product, Storage and Digital Services. Value-in-use models were prepared to support the reallocation of goodwill. The net carrying value of the goodwill of R54m was split as follow: Products (R28m), Storage (R4m), Digital Services (R22m). The Storage and Products' goodwill were allocated to MRM SA CGU except for the portion relating to the sale of the manufacturing operation of R11.9m (refer to note 18). The Digital Services goodwill was allocated to a newly created CGU – Vysion. The goodwill has been tested for impairment annually within the relevant CGUs.*

** *As majority of Global Continuity's operations was transferred during the current year to Metrofile VYSION (an existing digital business), the goodwill now reflects as part of the Vysion CGU.*

14.1 Goodwill impairment testing

Goodwill is allocated to the appropriate CGU according to the type of business and where it operates. The CGUs represent the identifiable assets for which an active market exists and which generate independent cash flows.

The carrying amount of goodwill is subject to impairment testing on an annual basis. The impairment tests are carried out on all goodwill balances within each CGU. Various economies have traded under challenging circumstances within which the CGUs are located. The goodwill assessments have included consideration of these factors in the growth rate and discount rates in the value-in-use models. As at 30 June 2024, an impairment was identified in the MRM Kenya CGU. Refer to note 14.3 for further detail.

Impairment of goodwill arises when the recoverable amount of the CGU is less than the carrying value including goodwill.

For the purpose of the goodwill impairment tests the carrying value of goodwill is grossed up to include the non-controlling interest. The recoverable amount is determined as the greater of the fair value, less costs to sell or the value-in-use. The value-in-use method is used to assess the goodwill for impairment. Refer to notes 14.2 and 14.3 for further detail.

The sensitivity analysis performed by management on the MRM Kenya CGU identified that the following changes in certain key assumptions individually will impact the current impairment as documented in the table below.

Sensitivity analysis on MRM Kenya CGU R'm	Effect to current impairment Increase	Decrease
Annual revenue growth rate (1% movement increase)		5.3
Annual revenue growth rate (1% movement decrease)	5.1	
WACC rate (1% movement increase)	5.6	
WACC rate (1% movement decrease)		6.2

A sensitivity analysis was performed on the other CGUs by reasonably changing the key assumptions in note 14.2 below to their high and low end ranges and no impairment was identified on any of the CGUs.

Notes to the annual financial statements continued

For the year ended 30 June 2024

14. Goodwill continued

14.2 Key assumptions used in value-in-use calculations

Cash flow projections in functional currency

The value-in-use is calculated using the forecasted cash inflows and outflows which are expected to be derived from the continuing use of the CGU and its ultimate disposal. Cash flow projections for financial forecasts are based on past experience, expected revenue, operating margins, working capital requirements and capital expenditure, based on approved budgeted financial information as well as available external market data.

The expected revenues were based on market assumptions, volume growth and price increases. No significant change in market share was assumed during the forecasted period of five years and was based on the average market share in the period immediately before the forecast period. Volume growth was based on average growth experienced in recent years. The cash flows were determined in foreign currency and discounted using rates appropriate for that currency. The present value was then translated at the spot exchange rate on the date of reporting.

Operating margins reflect past experience but were adjusted for any expected changes for the individual CGU. Cash flow projections cover a five-year forecast period, which are then extrapolated into perpetuity using applicable terminal growth rates.

The key inputs used in arriving at projected cash flows were as follows:

Revenue growth rates

Revenue growth rates applied were determined based on future trends within the industry, references to economic indicators e.g. inflation rates, annual GDP growth rates, geographic location and past experience within the operating divisions. Growth rates can fluctuate from year to year based on the assumptions used to determine these rates.

The Group used steady growth rates to extrapolate revenues beyond the forecasted period, which were consistent with publicly available information relating to long-term average growth rates for each of the markets in which the respective CGUs operate.

Discount rates applied

A key assumption in the impairment assessment is the discount rate. The discount rates were determined by management using an independent specialist and the current market assessment of the risks for each CGU. The rates take into consideration the time value of money and the individual risks of the underlying assets that have not been taken into account in the cash flow projections. The discount rate calculations were derived from the CGUs' weighted average cost of capital being the cost of debt and the cost of equity.

The cost of equity was arrived at by using the capital asset pricing model (CAPM) which, where necessary, takes into account an equity risk premium, country risk premiums and a small stock premium. The CAPM uses market betas of comparable entities in arriving at the cost of equity. In some markets, equity risk premiums have decreased slightly, primarily due to lower country risk premiums. The cost of debt was based on the cost of interest-bearing borrowings and lease obligations the CGU has to service. The cost of debt has increased across all markets.

The debt-to-equity ratio applied by arriving at the weighted average cost of capital was determined by applying market value weights based on theoretical target gearing levels, giving consideration to industry averages and using data of comparable entities. The inclusion of lease obligations into cost of debt has increased the debt weighting in the cost of capital. The increase in the cost of debt across all markets has been balanced by the slight decrease in cost of equity which has resulted in similar discount rates applied as last year. Management is of the view that the key assumptions used in the goodwill impairment test, as disclosed above, remain appropriate.

	Discount rates (pre-tax WACC)		Revenue growth rates	
CGU	2024	2023	2024	2023
MRM South Africa	18% – 21%	16% – 20%	5% – 8%	9% – 12%
MRM Kenya	29% – 32%	25% – 30%	4% – 10%	9% – 12%
MRM Botswana	14% – 20%	14% – 20%	6% – 9%	6% – 10%
Tidy Files		17% – 22%		6% – 14%
Vysion	18% – 22%		6% – 9%	
IronTree Internet Services	20% – 24%	19% – 23%	13% – 16%	8% – 16%

Notes to the annual financial statements continued
For the year ended 30 June 2024

14. Goodwill continued

14.3 Impairment of goodwill

The impairment charges to goodwill are included in the consolidated statement of profit and loss.

The goodwill accumulated impairments by CGUs were as follows:

R'm CGU	Accumulated impairment of goodwill 2024	2023
MRM Kenya*	151.1	97.5
Tidy Files**	–	20.9
	151.1	118.4

* *The financial performance of MRM Kenya has continued to be challenging and has resulted in an impairment of R53.6 million that has been recognised during the year under review. New local management has been appointed and has begun to secure additional work that we expect will improve its financial performance.*

** *At the time when the net carrying value of Tidy Files' goodwill of R54m was split to the respective CGUs, the accumulated impairment of R20.9m was written off against the cost of goodwill. There was no impact to profit and loss.*

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
15. Inventories				
Finished goods	14 657	18 026	–	–
Work in progress	–	150	–	–
Consumables	573	463	–	–
Total inventory	15 230	18 639	–	–
Less: provision for obsolete inventory	(812)	(510)	–	–
Net inventory	**14 418**	18 129	**–**	–

There were no write-downs of inventory to net realisable value (2023: Rnil). The cost of inventories recognised as an expense during the year was R107.3 million (2023: R118.0 million).

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
16. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	14	43	–	–
Bank balances	62 155	58 589	8	–
Bank overdraft	(10)	(63 039)	–	(37)
	62 159	(4 407)	**8**	(37)
Current assets	62 169	58 632	8	–
Current liabilities	(10)	(63 039)	–	(37)
	62 159	(4 407)	**8**	(37)

The Group has a R130 million (2023: R107 million) overdraft facility with Standard Bank of South Africa Limited. The unutilised portion amounted to R130 million (2023: R44 million).

Furthermore the Group has a R19.7 million (2023: R19.7 million) bank performance guarantee facility with Standard Bank of South Africa Limited which was fully utilised as at 30 June 2024.

Bank balances are held with reputable blue chip financial institutions in South Africa and in the other countries outside of South Africa.

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
17. Trade and other receivables				
Trade receivables	252 064	258 960	–	–
Estimated credit loss allowance	(20 612)	(15 470)	–	–
	231 452	243 490	–	–
Other receivables (include prepayments, VAT receivable and deposits)	72 713	65 834	312	257
	304 165	309 324	**312**	257
Expected credit loss allowance				
Opening balance	(15 470)	(8 755)	–	–
Loss allowance utilised	–	–	–	–
Loss allowance reversed	8 599	–	–	–
Loss allowance raised	(13 741)	(6 715)	–	–
Closing balance	**(20 612)**	(15 470)	**–**	–

The carrying value of trade and other receivables approximates its fair value due to its short-term nature.

Credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

Management considers 90 days past due as a default definition at which point management will consider there to be an increase in credit risk and will take steps to remediate the position with the customer.

Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. This is implemented and controlled at an operating subsidiary level.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Credit risk evaluations are performed on all customers requiring credit. This is implemented and controlled at an operating subsidiary level.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statements of financial position.

These risks are managed and measured on an ongoing basis. The Board of Directors is responsible for managing these risks.

17. Trade and other receivables continued

Expected credit loss (ECL)

The Group recognises a loss allowance on trade receivables based on lifetime ECLs at the reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the trading economic environment.

The expected loss rates are based on historical losses over a period of five years preceding 30 June 2024. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customer to settle the amounts they owe.

Trade receivables has decreased in the current year due to improved collections, however debtors days continues to remain higher than expected.

Historical credit loss rate has been applied accordingly and consistently throughout the Group.

The lifetime ECL of trade receivables was assessed at the reporting date and an increase was considered necessary for customer balances that progressively increased in ageing. Further, the expected loss ratios were increased for balances older than one year.

The ECL provision for the Group increased to R20.6 million (2023: R15.5 million) which represents 8% of trade receivables (2023: 6%). The reason for the increase is primarily due to the increase in long outstanding debtors within the Group.

Provision matrix

	June 2024			June 2023		
	Expected credit loss rate	Gross carrying amount R'000	Expected credit loss allowance R'000	Expected credit loss rate	Gross carrying amount R'000	Expected credit loss allowance R'000
0 – 60 days	**0.22%**	**154 944**	**337**	0.24%	164 884	402
60 – 90 days	**6.30%**	**22 784**	**1 435**	0.85%	21 184	184
90 – 120 days	**2.73%**	**12 528**	**342**	1.52%	15 696	198
120+ days	**29.93%**	**61 808**	**18 498**	20.49%	57 196	14 686
		252 064	**20 612**		258 960	15 470

Other receivables include prepayments and deposits and other insignificant amounts which do not expose the Group to signficant additional credit risk.

18. Assets held for sale

As at 30 June 2024, the carrying amount of assets classified as held for sale consists of property, plant and equipment and a portion of goodwill relating to the manufacturing operations of Tidy Files. It is considered probable that the sale will occur and proceeds will be collected within one year. Refer to note 32.

R'000	
Property, plant and equipment	3 104
Goodwill	11 896
Total assets held for sale	**15 000**

Notes to the annual financial statements continued

For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
19. Ordinary share capital and share premium				
19.1 Share capital				
Number of shares				
Authorised				
Authorised ordinary shares at the end of the year	500 000	500 000	500 000	500 000
Issued				
Total ordinary shares in issue	433 700	433 700	433 700	433 700
Total shares in issue	433 700	433 700	433 700	433 700
Less: treasury shares*	(11 525)	(10 045)	–	–
Balance at the end of the year	**422 175**	423 655	**433 700**	433 700

* *The Group purchased 1.48 million shares at an average price of R2.97 per share (2023: 10.0 million shares at an average price of R3.36 per share)*

The authorised but unissued ordinary shares in the Company were placed under the control and authority of the directors of the Company who were authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors of the Company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act ("the Act"), the Memorandum of Incorporation of the company and the JSE Limited ("JSE") Listings Requirements, where applicable, such authority to remain in force until the next annual general meeting. This authority was restricted to 5% of the Company's issued share capital.

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
19.2 Share premium				
Value of shares				
Issued				
Issued at the beginning of the year	2 675	2 675	2 675	2 675
Issued at the end of the year	2 675	2 675	2 675	2 675
Share premium				
Balance at the beginning of the year	537 397	571 158	873 105	873 105
Treasury shares purchased during the year	(4 391)	(33 761)	–	–
Balance at the end of the year	**533 006**	537 397	**873 105**	873 105
Total share capital and share premium	**535 681**	540 072	**875 780**	875 780

Capital risk management

The capital structure of the Group is evaluated by the Board of Directors on a regular basis. The Group manages its capital to ensure that it will be able to continue as a going concern and continue to meet its business objectives. During the year under review the Group maintained a positive shareholders' equity and there were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed regulatory capital requirements.

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
20. Other reserves				
Balance at the beginning of the year	(1 196)	(235)	–	–
Equity-settled employee benefits reserve	7 495	2 346	–	–
Foreign currency translation reserve	(3 927)	(3 307)	–	–
Balance at the end of the year	**2 372**	(1 196)	**–**	–
Comprises:				
Equity-settled employee benefits reserve	16 443	8 948	–	–
Foreign currency translation reserve	(14 071)	(10 144)	–	–
	2 372	(1 196)	**–**	–

21. Share-based payments

In November 2016, shareholders approved the implementation of a CSP to replace the SAR scheme. The plan has performance conditions attached to it which must be achieved in order for vesting to occur. The plan is equity-settled and the calculated IFRS 2 charge is booked to the statements of profit or loss over the vesting period of the grants; these charges are not revalued. Expected volatility is based on the historical share price volatility over the past three years. The key inputs to the CSP plan were related to share price and performance conditions. Details of the share-based payment awards under the above plan are contained in the note below.

The Company intends to settle share options with equity, however, a cash settlement choice, only as a fall back provision, is included. The Company therefore does not have a present obligation to settle in cash and accordingly has classified the arrangement as equity-settled.

The equity-settled employee benefits reserve relates to share options granted by the Company to its employees under its CSP share option plan.

Conditional share plan (CSP)
2024

Allocation summary	CSP	CSP	CSP	CSP	CSP
Grant date of award	**2020/19/10**	**2020/03/12**	**2021/15/09**	**2022/28/09**	**2023/09/29**
Share price on grant date	2.52	2.65	3.08	3.15	2.95
Total number of performance shares	6 864 329	765 512	3 130 835	3 688 397	4 319 613
Total number of retention shares	–	–	–	–	–
Dividend yield (NACC)	4.80%	4.80%	4.60%	4.80%	5.90%
Percentage vesting due to performance condition	70%	70%	40%	50%	60%
Attrition rate per annum	5%	5%	5%	5%	5%
Outstanding at the beginning of the year	**8 611 848**	**765 512**	**3 880 160**	**5 228 104**	–
Granted during the year	–	–	–	–	5 057 633
Vested during the year	–	–	–	–	–
Forfeited during the year*	(1 747 519)	–	(749 325)	(1 539 707)	(738 020)
Cancelled during the year	–	–	–	–	–
Outstanding at the end of the year	**6 864 329**	**765 512**	**3 130 835**	**3 688 397**	**4 319 613**
Exercisable at the end of the year	–	–	–	–	–
Weighted average share price at date of exercise**	N/A	N/A	N/A	N/A	N/A
Number of remaining participants	8	1	8	9	10

* *At year-end of every year an assessment is performed on the vesting conditions. If vesting conditions are not met, the shares are forfeited in that year.*

** *During the year no shares were exercised as they were all in their vesting period, therefore the weighted average share price at date of exercise was not applicable at year-end.*

Notes to the annual financial statements continued

For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
22. Interest-bearing liabilities				
22.1 Interest-bearing liabilities				
Standard Bank bullet loan facility	352 307	–	–	–
Being a R200 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Capital to be repaid not later than 30 June 2024.	–	200 061	–	–
Being a R352 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Capital to be repaid not later than 31 August 2028.	352 307	–	–	–
Less: Amounts payable within one year reflected under current liabilities	–	(200 061)	–	–
Standard bank Amortisation loan facility	–	–	–	–
Being a R200 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Capital and interest to be repaid in twenty consecutive quarterly instalments, starting at the end of the first quarter and ending on 30 June 2024.	–	41 672	–	–
Less: Amounts payable within one year reflected under current liabilities	–	(41 672)	–	–
Standard bank Accordion RCF Bullet loan facility	100 085	–		
Being a R100 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Interest to be repaid in ten consecutive quarterly instalments, starting at the end of June 2024 and ending on 31 August 2026. Capital to be repaid by no later than 31 August 2026.	100 085	–	–	–
Less: Amounts payable within one year reflected under current liabilities	–	–	–	–

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
22. Interest-bearing liabilities continued				
22.1 Interest-bearing liabilities continued				
Standard Bank revolving credit loan facility	148 999	–	–	–
Being a R200 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Capital to be repaid not later than 30 June 2024.	–	250 076	–	–
Being a R150 million loan, accruing interest at a rate equal to a three month (Johannesburg interbank agreed rate) ("JIBAR") plus margin as per below interest rate scale. Interest payable will be calculated on the basis of actual number of days elapsed in a year of 365 days and is payable quarterly in arrears. In the event of default, the interest rate on the facility will increase by 2%, which will remain in place until the default event has been remedied or the facility has been cancelled and repaid. Capital to be repaid not later than 31 August 2028.	148 999	–	–	–
Less: Amounts payable within one year reflected under current liabilities	–	(250 076)	–	–
Less: Debt refinancing costs capitalised	(1 866)	–	–	–
Total non-current interest-bearing liabilities	**599 525**	–	**–**	–
Short-term portion of long-term liabilities				
– Debt refinancing costs capitalised	–	(496)	–	–
– Bullet loan facility	–	200 061	–	–
– Revolving credit loan facility	–	250 076	–	–
– Amortisation loan facility	–	41 672	–	–
Total current liabilities*	**–**	491 313	**–**	–
Total interest-bearing liabilities	**599 525**	491 313	**–**	–

* *Interest-bearing liabilities were refinanced following the finalisation of a revised debt facilities agreement at the beginning of the 2024 financial year.*

The carrying value of interest-bearing liabilities approximate their fair value.

Security for the Metrofile facilities is provided to Micawber 305 (Proprietary) Limited (the Guarantor), a special purpose vehicle created by Standard Bank of South Africa Limited to facilitate a security mechanism for the capital providers, in the form of guarantees issued to the capital providers (the security). The Guarantor holds the underlying assets of Metrofile Holdings Limited and Metrofile (Pty) Ltd as security for its obligations under the guarantees provided by it to the capital providers, Standard Bank of South Africa Limited. This was in place in 2023 and 2024.

The Group has externally imposed capital requirements in terms of debt covenants. These covenants, which are calculated on a basis pre IFRS 16 Leases, require the Group to maintain a net debt to EBITDA of less than 2.70 times and an EBITDA to net interest expense ratio of no less than 3.50 times.

At 30 June 2024, net debt to EBITDA was 2.27 times and interest expense cover was 4.36 times. The requirements are expected to continue to be met in the foreseeable future.

Metrofile (Pty) Ltd is compliant with all aspects of the Common Terms of Agreement with Standard Bank of South Africa Limited and all loan covenant requirements have been met in the current year and prior year.

Notes to the annual financial statements continued
For the year ended 30 June 2024

22. Interest-bearing liabilities continued

22.1 Interest-bearing liabilities continued

Interest rate scale

Gross debt/EBITDA multiple	Bullet/RCF loan (3 month JIBAR plus) %	Accordion loan (3 month JIBAR plus) %
Greater than 2.5 times	2.75	2.50
Greater than 2.0 times, less than 2.5 times	2.50	2.25
Less than 2.0 times	2.25	2.00

	Consolidated		Company	
R'000	2024	2023	2024	2023
Interest rate risk				
Financial assets and liabilities that are exposed to interest rate risk are cash, bank overdrafts and medium and long-term liabilities. The interest rates applicable to these financial instruments are comparable with those currently available in the market and are linked to the JIBAR rate and prime rate of interest in South Africa. The Group manages the exposure to interest rate risk by managing its performance against the interest rate scales provided by the financial institutions.				
Impact on profit/loss and equity if interest rates increase by 50 basis points, as the Group operates in an environment where interest rates are fairly stable and interest rate increases are generally around/ below 50 basis points.				
This assumes all other variables remain constant.	2 498	2 456	–	–
Interest rate risk is calculated based on the interest on outstanding interest-bearing liabilities at year-end.				
Borrowing capacity:				
Amount approved	752 000	600 000	–	–
Less: amount utilised	(621 780)	(554 848)	–	–
Total additional borrowings available	**130 220**	45 152	**–**	–
The following banking facilities were in place at the end of the current financial year:				
Standard Bank	150 000	126 780	–	–
– Working capital facility	130 220	107 000	–	–
– Bank performance guarantees	19 780	19 780	–	–
Maturity profile				
Interest-bearing liabilities				
The maturity profile is based on undiscounted cashflows of financial liabilities				
Capital				
2024		594 650	–	–
2025	39 218	28 689	–	–
2026	42 896	23 990	–	–
2027	14 595	11 852	–	–
2028	613 948	8 721	–	–
2029	14 961	10 084	–	–
2030	8 881	12 124	–	–
2031	5 293	6 418	–	–
	739 792	696 528	**–**	–

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
22. Interest-bearing liabilities continued				
22.1 Interest-bearing liabilities continued				
Interest				
2024		51 241	–	–
2025	74 391	9 569	–	–
2026	72 770	7 341	–	–
2027	71 260	5 597	–	–
2028	69 667	4 454	–	–
2029	2 769	2 868	–	–
2030	1 711	1 878	–	–
2031	392	285	–	–
	292 960	83 233	**–**	–
	1 032 752	779 761	**–**	–

The maturity profile consists of undiscounted cashflows on the Standard Bank loans and lease liabilities.

The Standard Bank loans mature in 2028 and the lease liabilities conclude in 2031.

R'000	Within 1 year	2 – 5 years	Beyond 5 years	Total
Maturity analysis				
2024				
Gross amounts	113 609	902 866	16 277	1 032 752
Less: unearned finance charges	(74 391)	(216 466)	(2 103)	(292 960)
Present value of minimum interest-bearing liabilities	**39 218**	**686 400**	**14 174**	**739 792**
2023				
Amortised cost				
Gross amounts	645 891	100 213	33 657	779 761
Less: unearned finance charges	(51 241)	(26 961)	(5 031)	(83 233)
Present value of minimum interest-bearing liabilities	**594 650**	**73 252**	**28 626**	**696 528**

	Consolidated		Company	
R'000	2024	2023	2024	2023
22. Interest-bearing liabilities continued				
22.2 Lease liabilities				
IFRS 16 lease liability comprises:				
Opening balance	136 269	148 182	–	–
Interest	13 859	14 060	–	–
Repayments	(49 896)	(47 737)	–	–
Additions	14 625	11 034	–	–
Modifications	13 851	9 639	–	–
Foreign exchange effect on lease liabilities	723	1 091	–	–
Closing balance	**129 431**	136 269	**–**	–
Reflected in the statement of financial position as follows:	129 431	136 269	–	–
Non-current liabilities	90 251	101 902	–	–
Current liabilities	39 180	34 367	–	–
The carrying value of capitalised leased liabilities approximates its fair value.				
Maturity analysis (undiscounted cash flow)				
Not later than one year	52 085	46 481	–	–
Later than one year and not later than five years	108 680	100 213	–	–
Later than five years	11 044	33 657	–	–
	171 809	180 351	**–**	–
23. Current liabilities				
Trade and other payables				
Trade payables	68 740	50 762	215	198
Accrued expenses	28 153	17 682	–	–
Dividends for shareholders	3 288	1 800	2 297	1 805
VAT payable	24 830	10 858	–	–
Payroll accruals	14 869	16 139	–	–
Leave pay accrual	10 750	13 637	–	–
Sundry creditors	3 353	9 315	131	–
	153 983	120 193	**2 643**	2 003

The carrying value of trade and other payables approximates its fair value due to their short-term nature.

24. Commitments

24.1 Authorised capital expenditure

Authorised capital expenditure for the 2025 year amounts to R68 million (2023: R68 million) which will be funded by cash generated from operations.

	Consolidated		Company	
R'000	2024	2023	2024	2023
24.2 Short-term leases				
Payable within one year	5 063	10 218	–	–
	5 063	10 218	**–**	–

The Group entered into various lease agreements (short-term) related to buildings, office equipment, furniture and fittings and motor vehicles owned by the Group, on which the Group elected to account for these leases under the exemption application of IFRS 16. This amounted to R5 million (2023: R10 million).

25. Contingent liabilities

There are no known contingent liabilities as at the reporting date (2023: Rnil).

	Consolidated		Company	
R'000	2024	2023	2024	2023
26. Financial instruments				
26.1 Classification of financial instruments				
Financial assets at amortised cost				
Trade receivables	231 452	243 490	–	–
Other receivables	43 111	48 669	–	–
Long-term vendor consideration*	–	3 500	–	–
Amount owing by subsidiaries (non-interest-bearing)**	–	–	–	13 552
Bank balances*	62 169	58 632	8	–
Total financial assets	**336 732**	354 291	**8**	13 552

* *The risk of default occurring on bank and vendor consideration has not increased significantly since initial recognition, therefore there is no estimated credit loss on these items. The expected credit loss is nil and as such this is considered to be fully recoverable.*
** *The expected credit loss is as per the impairment loss recognised, refer to note 35 for details of the expected credit loss recognised.*

	Consolidated		Company	
R'000	2024	2023	2024	2023
Financial liabilities at amortised cost				
Interest-bearing liabilities	599 525	491 313	–	–
Trade and other payables	118 403	102 542	2 643	2 003
Amount owing to subsidiaries (non-interest-bearing)	–	–	28 119	27 790
Lease liabilities	129 431	136 269	–	–
Acquisition related liabilities	–	91 924	–	–
Bank overdraft	10	63 039	–	37
Total financial liabilities	**847 369**	885 087	**30 762**	29 830

All other assets and liabilities in the statement of financial position are non-financial instruments.

Notes to the annual financial statements continued
For the year ended 30 June 2024

26. Financial instruments continued

26.1 Classification of financial instruments continued

Liquidity risk

Group

The Group has a strong track record of generating cash from operations and there is little to no threat of this changing in the future. The requirement to expand facilities puts pressure on the liquidity of the Group, however tthe Group has adequate borrowing facilities and cash available to fund future capital expenditure.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continually monitoring forecast and cash flows, by matching the maturity profiles of financial assets, by liabilities maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained.

There has been no change to the Group's exposure to these risks and the manner in which these risks are measured and managed. The Board of Directors and management are responsible for managing these risks.

Company

The risk that the Company will not be able to meet its financial commitments is minimised through sufficient borrowing facilities by the Group. In addition, detailed cash flow forecasts are regularly prepared and reviewed so that the cash needs of the Company are managed according to its requirements.

Maturity analysis of financial instruments

R'000	Within 1 year	2 – 5 years	Beyond 5 years	Total
Group				
Financial assets				
2024				
Amortised cost				
Trade receivables	231 452	–	–	231 452
Other receivables	43 111	–	–	43 111
Bank balances	62 169	–	–	62 169
	336 732	**–**	**–**	**336 732**
2023				
Amortised cost				
Trade receivables	243 490	–	–	243 490
Other receivables	48 669	–	–	48 669
Long-term vendor consideration*	–	3 500	–	3 500
Bank balances	58 632	–	–	58 632
	350 791	3 500	–	354 291

R'000	Within 1 year	2 – 5 years	Beyond 5 years	Total
Company				
Financial assets				
2024				
Cash and cash equivalents	8	–	–	8
	8	**–**	**–**	**8**
2023				
Amount owing by subsidiaries (non-interest-bearing)	–	–	13 552	13 552
	–	–	13 552	13 552

Notes to the annual financial statements continued
For the year ended 30 June 2024

26. Financial instruments continued

26.1 Classification of financial instruments continued

R'000	Within 1 year	2 – 5 years	Beyond 5 years	Total
Group				
Financial liabilities				
2024				
Interest-bearing liabilities	–	599 525	–	599 525
Trade and other payables	118 403	–	–	118 403
Lease liabilities	39 180	79 876	10 374	129 431
Bank overdraft	10	–	–	10
	157 593	**679 401**	**10 374**	**847 369**
2023				
Interest-bearing liabilities*	491 313	–	–	491 313
Trade and other payables	102 542	–	–	102 542
Lease liabilities	34 367	73 253	28 649	136 269
Acquisition related liabilities	91 924	–	–	91 924
Bank overdraft	63 039	–	–	63 039
	783 185	73 253	28 649	885 087

* *Included in this ageing is the repayment of the Standard Bank interest-bearing liabilities as they become due in 2024, however management entered into a refinancing agreement which was concluded at the start of the 2024 financial year.*

R'000	Within 1 year	2 – 5 years	Beyond 5 years	Total
Company				
2024				
Financial liabilities				
Trade and other payables	(2 643)	–	–	(2 643)
Amount owing to subsidiaries – non-interest-bearing	(28 119)	–	–	(28 119)
Bank overdraft	–	–	–	–
	(30 762)	–	**–**	(30 762)
2023				
Trade and other payables	(2 003)	–	–	(2 003)
Amount owing to subsidiaries – non-interest-bearing	(27 790)	–	–	(27 790)
Bank overdraft	(37)	–	–	(37)
	(29 830)	–	–	(29 830)

26.2 Foreign currency exposure

In the normal course of business, the Group enters into transactions denominated in a variety of foreign currencies. As a result the Group is subject to transactions and translation exposures resulting from fluctuations in currency exchange rates.

Transactions entered into in foreign currency are settled within the payment terms given to minimise the risk of currency fluctuations.

There has been no change to the Group's exposure to these risks and the manner in which these risks are managed and measured. The Board of Directors and management are responsible for managing these risks.

Foreign denominated assets

AED '000	2024	2023
Amount owing by Group companies	**2 669**	3 008

Notes to the annual financial statements continued

For the year ended 30 June 2024

26. Financial instruments continued

26.2 Foreign currency exposure continued

A 10% strengthening/weakening of foreign currency against the South African Rand at 30 June 2024 would have increased/(decreased) profit or loss and equity by the amounts shown below. This assumes all other variable inputs remains constant.

	2024		2023	
Increase or decrease in AED rate	**10% decrease**	**10% increase**	**10% decrease**	**10% increase**
Impact on profit/(loss)				
R'000	**(1 321)**	**1 321**	(1 543)	1 543

Foreign currency risk is calculated by taking 10% of the total foreign goods and services purchased for the year. Total foreign purchases for the year amounted to R20.7 million (2023: R20.6 million). A 10% increase/decrease on the exchange rate would have resulted in a R2.07 million (2023: R2.06 million) increase/decrease in purchases respectively resulting in an increase/decrease in profit/loss and equity. All goods purchased are receipted into stock and booked out against sales invoices, maintenance contracts or as direct inputs in the conversion bureaus. Direct sales to customers of foreign sourced goods are adjusted daily to cater for exchange rate fluctuations.

This assumes all other variables stay constant, in particular interest rates.

27. Retirement benefit plans

All the retirement benefit plans operated by Group companies domiciled in the Republic of South Africa are governed by the Pension Funds Act, 1956 (Act No 24 of 1956) ("the Act").

Defined contribution plans

The Group's employees are members of a defined contribution retirement benefit plan administered by Sanlam Life Assurance Limited. Both the Group and the employees are required to contribute to the retirement schemes to fund the benefits.

The only obligation of the Group with respect to the retirement schemes is to make the specified contributions. The total cost charged to profit or loss of R21.7 million (2023: R20.3 million) represents the Group's contributions paid to the scheme.

28. Related party transactions

The Group and its subsidiaries in the ordinary course of business, enter into various transactions with entities in which the Group has an interest. There were no significant transactions with non-controlling interests in subsidiaries. Significant related party transactions are detailed below. Refer to note 35 for disclosure of subsidiaries within the Group.

Intercompany dividends

In the current year, no intercompany dividends were declared between Metrofile Holdings Limited and its subsidiaries (2023: Rnil).

Group management fees

Management fees of R2.4 million (2023: R2.3 million) were paid to Mineworkers Investment Company (Pty) Ltd which is a shareholder of Metrofile Holdings Ltd.

Refer to note 10 for directors' remuneration.

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Opening balance	Provision utilised	Provision reversed	Provision raised	Closing balance
29. Provisions					
2024					
Bonus provision	19 193	(19 109)	(84)	6 268	6 268
Retrenchment and closure provision	–	–	–	16 606	16 606
	19 193	**(19 109)**	**(84)**	**22 874**	**22 874**
2023					
Bonus provision	13 505	(12 169)	–	17 857	19 193
	13 505	(12 169)	–	17 857	19 193

The above provision relates to the bonus plan of R6.3 million and retrenchment and closure provision of R16.6 million.

The bonus provision relates to the bonus plan that is performance based with targets only assessed once the audited annual financial statements are available. The bonus provision is calculated as the estimated liability for the year-end bonuses to employees. The amount will be paid out within the next 12 months of the reporting date.

The retrenchment and closure provision of R16.6 million relates to management's calculated estimates of the cost of staff retrenchments in Tidy Files and the closure of the manufacturing operations that was formalised during June 2024. Settlement of this provision will be within the next three months of the reporting date.

	Consolidated		Company	
R'000	2024	2023	2024	2023
30. Deferred revenue				
Opening balance	22 197	18 804	–	–
Raised during the year	24 542	56 123	–	–
Released during the year	(26 953)	(52 730)	–	–
Closing balance	**19 786**	22 197	**–**	–

Deferred revenue is expected to be recognised as revenue within the next 12 months as and when performance obligations are fulfilled.

Notes to the annual financial statements continued
For the year ended 30 June 2024

	Consolidated		Company	
R'000	2024	2023	2024	2023
31. Cash flow statement				
31.1 Reconciliation of profit before taxation to cash generated from/(utilised by) operations				
Profit/(loss) before taxation	58 735	197 001	(16 146)	(1 467)
Adjusted by:	208 187	147 429	–	–
Profit on disposal of property, plant and equipment	(480)	(293)	–	–
Depreciation on property, plant and equipment	37 603	38 128	–	–
Depreciation on right-of-use asset	36 162	38 757	–	–
Amortisation of intangible assets	13 802	13 177	–	–
Finance costs	68 221	63 396	–	–
Goodwill impairment of investment	53 588	–	–	–
Impairment of investment in subsidiary	–	–	38 825	–
Reversal of impairment of subsidiary loan	–	–	(56 913)	–
Expense recognised in respect of equity-settled shared-based payments	7 495	2 346	–	–
Interest income	(688)	(5 777)	–	–
Fair value adjustment and derecognition of acquisition related liabilities	(7 680)	–	–	–
Unrealised foreign exchange gains/(losses)	164	(2 305)	–	–
Operating cash flows before working capital changes	**266 922**	344 430	**(1 942)**	(1 467)
Changes in working capital	42 065	(68 520)	93	(107)
Decrease/(increase) in inventories	3 712	(2 010)	–	–
Decrease/(increase) in trade and other receivables	5 159	(83 601)	(55)	(75)
Increase/(decrease) in trade and other payables	31 924	8 010	148	(32)
Increase in provisions	3 681	5 688	–	–
(Decrease)/increase in deferred revenue	(2 411)	3 393	–	–
Cash generated from/(utilised by) operations	**308 987**	275 910	**(1 849)**	(1 574)
31.2 Taxation paid				
Taxation balance at the beginning of the year	(6 273)	(1 111)	–	–
Current tax expense for the year	(35 155)	(61 763)	–	–
Taxation balance at the end of the year	(264)	6 273	–	–
Total taxation paid	**(41 692)**	(56 601)	**–**	–

Notes to the annual financial statements continued

For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
31. Cash flow statement continued				
31.3 Movements in loans to subsidiaries				
Opening balance	–	–	13 552	66 997
Non-cash movement	–	–	–	(557)
Investing cashflows	–	–	–	–
Loans repaid by subsidiaries	–	–	(13 552)	(52 888)
Closing balance	**–**	–	**–**	13 552
31.4 Movements in loans from subsidiaries				
Opening balance	–	–	27 790	1 900
Non-cash movement	–	–	(56 913)	–
Financing cashflows	–	–	–	–
Loans advanced from subsidiary	–	–	57 242	25 890
Closing balance	**–**	–	**28 119**	27 790
31.5 Movement in acquisition related liability				
Opening balance	91 924	75 813	–	–
Non-cash movement (refer to note 34)	(12 205)	18 167	–	–
Financing cashflows	–	–	–	–
Settlement of liability (refer to note 34)	(79 719)	(2 056)	–	–
Closing balance	**–**	91 924	**–**	–
31.6 Lease liabilities				
Opening balance	**136 269**	148 182	–	–
Lease liabilities – non-current	101 902	114 791	–	–
Lease liabilities – current	34 367	33 391	–	–
Operating cash flows				
Interest paid	(13 859)	(14 060)	–	–
Financing cash flows				
Lease liabilities repaid – capital portion	(36 037)	(33 677)	–	–
Non-cash changes				
Interest accrued	13 859	14 060	–	–
Lease liabilities raised	14 625	11 034	–	–
Lease modification	13 851	9 639	–	–
Translation differences	723	1 091	–	–
Closing balance	**129 431**	136 269	**–**	–
Lease liabilities – non-current	90 251	101 902	–	–
Lease liabilities – current	39 180	34 367	–	–

Notes to the annual financial statements continued
For the year ended 30 June 2024

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
31. Cash flow statement continued				
31.7 Movements in interest-bearing liabilities				
Opening balance	**491 313**	481 857	–	–
Non-cash item				
Capitalised debt refinance cost	(893)	(553)	–	–
Interest accrued	521	50	–	–
Financing activities				
Repayment of interest-bearing liabilities	–	(40 041)	–	–
Interest-bearing liabilities raised	108 584	50 000	–	–
Closing balance	**599 525**	491 313	**–**	–
31.8 Dividends paid				
Opening balance	**1 800**	1 437	1 805	1 249
Dividends declared	67 623	77 477	69 392	78 066
Dividends paid	(66 135)	(77 114)	(68 900)	(77 510)
Closing balance	**3 288**	1 800	**2 297**	1 805
31.9 Capital expenditure				
Property, plant and equipment				
Expansion	43 529	18 775	–	–
Replacement	4 477	13 223	–	–
Total additions	**48 006**	31 998	**–**	–
Intangible assets				
Expansion	4 975	15 044	**–**	–
Replacement	–	–	**–**	–
Total additions	**4 975**	15 044	**–**	–
Total capital expenditure: expansion	**48 504**	33 819	**–**	–
Total capital expenditure: replacement	**4 477**	13 223	**–**	–

32. Events after reporting date

Effective 1 August 2024, Metrofile concluded the sale of assets and brand name for R15 million to a third party as part of the closure of the Tidy Files manufacturing operation that were held for sale as at 30 June 2024. This sale has had a negligible impact on profit or loss in the new financial year. This is a non-adjusting event.

To the knowledge of the directors, no further material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Notes to the annual financial statements continued
For the year ended 30 June 2024

33. Segmental report

Segmental disclosure is based on the geographical areas and consists of Metrofile Records Management (MRM) South Africa, MRM Rest of Africa, MRM Middle East, Products and Services South Africa and Central and Eliminations. Operating profit is the key measure of segmental performance.

R'000	Revenue 12 months ended 30 June 2024	Revenue 12 months ended 30 June 2023*	EBITDA 12 months ended 30 June 2024	EBITDA 12 months ended 30 June 2023*
MRM South Africa	605 548	625 973	209 575	255 790
MRM Rest of Africa	104 315	104 651	56 920	44 288
MRM Middle East	119 601	98 646	7 148	27 238
Products and Services South Africa	311 082	305 110	53 239	52 432
Central and eliminations	–	–	(39 545)	(35 066)
Total	**1 140 546**	1 134 380	**287 337**	344 682
South African operations	916 630	931 083	223 269	273 156
Non-South African operations	223 916	203 297	64 068	71 526

R'000	Operating profit 12 months ended 30 June 2024	Operating profit 12 months ended 30 June 2023*	Tangible assets** As at 30 June 2024	Tangible assets** As at 30 June 2023
MRM South Africa	173 751	212 246	751 107	750 380
MRM Rest of Africa	39 777	27 096	157 218	144 143
MRM Middle East	2 148	22 288	110 551	101 058
Products and Services South Africa	34 498	33 057	117 376	135 595
Central and eliminations	(50 404)	(40 067)	(11 385)	(16 249)
Total	**199 770**	254 620	**1 124 867**	1 114 927
South African operations	157 845	205 236	857 097	869 726
Non–South African operations	41 925	49 384	267 770	245 200

* *Prior periods for MRM South Africa and Products and Services South Africa were re-classified following the re-allocation of secure storage previously reported under Products and Services South Africa to MRM South Africa.*

** *Tangible assets comprise property, plant and equipment, right-of-use asset, inventories, trade and other receivables, tax and loan receivables and cash and cash equivalents.*

R'000	Revenue streams 12 months ended 30 June 2024	Revenue streams 12 months ended 30 June 2023
Secure storage	624 028	592 382
Digital services	298 317	295 685
Products and solutions	157 619	178 087
Business support services	60 582	68 226
Total	**1 140 546**	1 134 380

Notes to the annual financial statements continued
For the year ended 30 June 2024

34. Acquisition related liabilities

Acquisition related liabilities relates to:

- The redemption liability and contingent consideration for the acquisition of the remaining 30% shareholding in IronTree. In the current year, a total amount of R72.7 million was paid to settle the redemption liability and contingent consideration.
- The liability for the acquisition of an additional 15% shareholding in E File Masters LLC. In the current year, an amount of R7.0 million was paid in settlement of the outstanding liability.
- In the 2023 financial year, the Group acquired an additional 15% in E File Masters LLC for a purchase consideration of R28.1 million which comprised an initial consideration of R15.3 million and a top-up payment of R12.8 million should E File Masters LLC achieve its earnings target at the earlier of June 2023 or June 2024.

R'000	2024	2023
Opening balance	91 924	75 813
Contingent consideration linked to earnings – IronTree	4 944	7 000
Redemption liability recognised in equity – IronTree	74 155	68 813
Acquisition related liability – 15% purchase in E File Masters LLC	12 825	–
Movements for the year as follows:		
IronTree	(79 099)	3 286
Unwinding of contingent consideration in finance cost [3]	(15)	–
Contingent consideration settled through dividend payment	(3 075)	(2 056)
Derecognition of contingent consideration [2]	(1 854)	–
Unwinding of redemption liability through equity [1]	2 825	5 342
Fair value adjustment of acquisition related liability [1]	(7 335)	–
Settlement of acquisition related liability	(69 645)	–
E File Masters LLC	(12 825)	12 825
Recognition of acquisition related liability relating to 15% purchase in UAE [4]	–	12 825
Settlement of acquisition related liability	(6 999)	–
Derecognition of acquisition related liability [2]	(5 826)	–
Closing balance	**–**	**91 924**
Reconciliation of the cash flow movements for the year:		
Settlement of acquisition related liability – IronTree	69 645	–
Settlement of acquisition related liability – E File Masters LLC	6 999	–
Contingent consideration settled through dividend payment	3 075	–
Total cash paid	**79 719**	**–**
Reconciliation of the non-cash movements for the year:		
[1] Direct to equity	4 510	(5 342)
[2] Direct to other operating income	7 680	–
[3] Direct to finance costs	15	–
[4] Direct to cost of the investment	–	(12 825)
Total non-cash movements	**12 205**	**(18 167)**

Notes to the annual financial statements continued
For the year ended 30 June 2024

Subsidiary	Nature of business	Percentage holding 2024 %	Percentage holding 2023 %	Cost of investment 2024 R'000	Cost of investment 2023 R'000	Amounts owing (to)/by 2024 R'000	Amounts owing (to)/by 2023 R'000
35. Subsidiaries							
35.1 Investment in unlisted subsidiaries							
Metrofile (Pty) Ltd▲	Records management	100	100	173 753	173 753	(28 119)	10 282
Metrofile Management Services (Pty) Ltd▲	Management services	100	100	–	–	293 025	324 048
Tidy Files SA (Pty) Ltd	Filing systems	100	100	78 105	78 105	–	–
Metrofile VYSION (Pty) Ltd	Digital Services	100	100	–	–	–	–
Global Continuity (SA) (Pty) Ltd	Business continuity	100	100	4 000	4 000	–	3 270
Cleardata (Pty) Ltd	Confidential records destruction	100	100	23 140	23 140	–	(1 900)
				278 998	278 998	264 906	335 700
Provision for impairment*				(53 805)	(14 980)	(293 025)	(349 938)
				225 193	264 018	**(28 119)**	(14 238)
Reflected in the statement of financial position as:							
Amounts owing by subsidiaries – non-interest-bearing (non-current assets)						–	13 552
Amounts owing to subsidiaries – non-interest-bearing (current liabilities)						(28 119)	(27 790)
						(28 119)	(14 238)

▲ *Metrofile Holdings Limited had ceded and pledged all its interests in the claims and shares of the subsidiaries to the capital providers in 2023 and 2024.*

* *The provision for impairment of the loan to Metrofile Management Services (Pty) Ltd ("MMS") was reduced by R56.9 million from R349.9 million to R293.0 million as a portion of the loan had been repaid by the subsidiary during the year. Based on management's assessment of MMS's financial position, future profitability and its ability to repay the loan, the loan balance remains impaired in full at the reporting date.*

Owing to the closure of the Tidy Files' manufacturing operation during June 2024 and the operating losses incurred in the current year, the net carrying value of the investment was impaired further to its recoverable amount resulting in an increase in the impairment provision by R38.9 million to R53.8 million at the reporting date.

The loans are unsecured, non-interest-bearing and are repayable on demand.

35. Subsidiaries continued

35.2 Subsidiaries – Group

The following subsidiaries are held by Metrofile Management Services (Pty) Ltd and Record Storage and Management (Cape) (Pty) Ltd and have been consolidated into Metrofile Holdings Ltd:

		Percentage holding		Cost of investment	
Subsidiary	**Nature of business**	**2024 %**	**2023 %**	**2024 R'000**	**2023 R'000**
Metrofile Records and Information Management Botswana (Pty) Ltd	Records management	100	100	28 541	28 541
Metrofile Moçambique LDA	Records management	51	51	–	–
E File Masters LLC***	Records management	95	95	38 299	33 205
Metrofile Nigeria (Pty) Ltd [$]	Records management	100	100	3 864	3 864
Metrofile Records Management (Kenya) Ltd	Records management	100	100	278 814	278 814
IronTree Internet Services (Pty) Ltd [&]	Data managed services	100	70	137 544	67 949
Total cost				**487 062**	412 373
Provision for impairment**				(191 536)	(145 744)
Net carrying value				**295 526**	266 629

$ *Liquidation process still in progress.*
& *IronTree was acquired in 2022. During the 2024 financial year, the Group acquired the remaining 30% shareholding for R69.6 million increasing the Group's shareholding to 100%.*
** *The provision for impairment relating to the investment in Kenya and Nigeria.*
*** *During the 2024 financial year, R5m reversal of impairment was processed.*

The carrying value of the unlisted investments in subsidiaries approximate their fair value.

36. Transactions with non-controlling interests

In the current year, the Group purchased the remaining 30% shareholding of IronTree for R70 million. As a result, the remaining balance of NCI relating to IronTree of R0.9 million was transferred to accumulated profits. In the prior year, the Group purchased an additional 15% shareholding in E File Masters LLC which resulted in a reduction in NCI of R10.1 million.

Notes to the annual financial statements continued
For the year ended 30 June 2024

37. Shareholder analysis

Public and non-public shareholders	Number of shareholders	Percentage %	Number of shares	Percentage %
Non-public shareholders	**11**	**0.23**	**234 501 219**	**54.07**
Directors, management and associates of the Company	5	0.10	57 496 035	13.26
Treasury shares held in Metrofile (Pty) Ltd	1	0.02	11 524 739	2.66
Strategic holdings*	5	0.10	165 480 445	38.16
Public shareholders	**4 767**	**99.77**	**199 198 739**	**45.93**
Total	**4 778**	**100.00**	**433 699 958**	**100.00**

* *Mineworkers Investment Company, with a shareholding of 38.16% (39.20% net of treasury shares) of the share equity, is the largest and most significant shareholder. The company provides strategic direction, BEE and transformation guidance and has two directors on the Board.*

Beneficial shareholders holding 5% or more	Number of shares	Percentage %
Mineworkers Investment Company	165 480 445	38.16
NinetyOne	40 870 000	9.42
Afropulse	36 450 000	8.40
Sabvest Investments	21 000 000	4.84
Total	**263 800 445**	**60.83**

	Beneficial		Non-beneficial		
Directors' interest in shares	**Direct**	**Indirect**	**Direct**	**Indirect**	**Percentage %**
MS Bomela, DL Storom†	–	–	–	165 480 445	38.16
P Langeni#	–	36 450 000	–	–	8.40
S Mansingh	150 000	–	–	–	0.03
CS Seabrooke*	–	–	–	21 000 000	4.84
PG Serima	46 035	–	–	–	0.01
Total	**196 035**	**36 450 000**	**–**	**186 480 445**	**51.44**

† *Mary Bomela and Lebohang Storom are CEO and Group Financial Manager of MIC respectively, which owns 165 480 445 shares being an economic interest of 38.16% (39.20% net of treasury shares). As MIC's representatives on Metrofile's Board, they have no economic interest in MIC personally.*

Phumzile Langeni is the CEO and shareholder of Afropulse Group (Pty) Limited, which owns 36 450 000 shares in Metrofile Holdings Limited, being an economic interest of 8.40% (8.63% net of treasury shares), of which she has a 50% beneficial interest. Afropulse Group (Pty) Limited ("Afropulse Group") is in receipt of a call right from Sabvest Investments (Pty) Limited ("Sabvest Investments") and acceptance of a put obligation imposed on it by Sabvest Investments on 21 000 000 ordinary shares in Metrofile Holdings Limited. The call right may be exercised at any time by Afropulse Group on 10 business days' notice to Sabvest Investments until 30 November 2025 when it will expire. The put obligation may be actioned by Sabvest Investments giving 30 business days' notice of intention to exercise prior to either 30 November 2025 or 31 May 2026 after which it will expire.

* *The Seabrooke Family Trust has an indirect interest of 40.50% in this shareholding through Sabvest Capital Limited, i.e. an effective economic interest of 1.96% (2.01% net of treasury shares). Sabvest Investments (Pty) Limited ("Sabvest Investments") is in receipt of a put right from Afropulse Group Proprietary Limited ("Afropulse") and acceptance of a call obligation imposed by Afropulse on 21 000 000 ordinary shares in Metrofile Holdings Limited. The put right may be exercised by Sabvest Investments giving 30 business days notice of intention to exercise to Afropulse prior to either 30 November 2025 or 31 May 2026 after which it will expire. The call obligation may be actioned at any time by Afropulse on 10 business days notice to Sabvest Investments until 30 November 2025 when it will expire.*

Notes to the annual financial statements continued

For the year ended 30 June 2024

38. Going concern

In assessing the Group and Company as a going concern, the directors took into consideration the growth strategy for the future, the profitability of the operations and the Group and the Company's solvency and liquidity. The following factors were taken into account in the directors' considerations:

- The Group's cash requirements for debt servicing and capital repayments are satisfactorily covered by the Group's current and projected cash flows.
- Working capital will continue to be strictly monitored.
- Approved short and long-term financing, with access to sufficient additional short-term working capital borrowing capacity, if required.
- Statement of financial position assets have been carefully tested for impairment and none are over-valued as at the reporting date.
- Budgets to June 2025 reflect a continuation of positive trading.
- Key executive management is in place.
- Metrofile (Pty) Ltd is compliant with all aspects of the Common Terms of Agreement of Standard Bank of South Africa Limited and all loan covenant requirements (refer to note 22.1).
- Capital expenditure for the 2025 financial year will be limited to essential and committed expenditure.

The Company's current liabilities exceeded its current assets at the reporting date due to the loans owed to its subsidiaries. The Company has access to the overdraft facility should it decide to settle the loans owed to its subsidiaries as well as to meet any other debts as they fall due.

On this basis, the Board has assessed the Group and Company as a going concern for at least the next twelve months form the date that the annual financial statements were approved.

Corporate information^

Directors

Phumzile Langeni (50)*#@
BCom (Acc), BCom (Hons), MCom
Independent non-executive Chairman
Twelve years' service (Appointed 30 March 2012)
Chairman of Nominations Committee

Mary Sina Bomela (51)‡*
BCom (Hons), CA(SA), MBA
Non-executive director and deputy Chairman
Fourteen years' service (Appointed 8 September 2010)
Chairman of Social, Ethics and Transformation Committee
Chairman of Strategy and Investment Committee

Pfungwa Gore Serima (59)#@
BSC (CompSc) and Business Studies
Group Chief Executive Officer
Eight years' service (Appointed 1 February 2016)

Shivan Mansingh (38)#@
BaccSci, HDipAcc, CA(SA), MBA
Group Chief Financial Officer
Five years' service (Appointed 1 April 2019)

Sindiswa Victoria Zilwa (57)#‡
BCompt (Hons), CA(SA), CD(SA)
Advanced Diploma in Financial Planning (UFS)
Advanced Diploma in Taxation (UNISA)
Advanced Diploma in Banking (RAU)
Lead independent non-executive director
Twelve years' service (Appointed 17 October 2012)
Chairman of Audit, Governance and Risk Committee

Andile Khumalo (46)#†
BCom (Accounting), Post Graduate Diploma
in Accounting, CA(SA)
Independent non-executive director
Three years' service (Appointed 30 September 2021)

Lindiwe Evarista Mthimunye (50)†#
BCom, CA(SA), MCom, HDip Tax Law
Independent non-executive director
Seven years' service (Appointed 1 July 2017)
Chairman of Remuneration Committee

Christopher Stefan Seabrooke (71)*‡@
BCom, BAcc, MBA, FCMA
Independent non-executive director
Twenty-one years' service (Appointed 28 January 2003)

Stanley Thabo Moloko Seopa (60)†@
BCom (Accounting), Higher Diploma in Tax Law
Diploma in Finance, Diploma in Management
Independent non-executive director
Three years' service (Appointed 30 September 2021)

Dominic Lebohang Storom (36)
BCom (Hons), CTA, MCom, MBA
Non-executive director
Three years' service (appointed 26 March 2021)

Leon Rood (47)
BCom, LLB
Five years' service (appointed 1 February 2019)
Independent non-executive alternate director to
Christopher Seabrooke

^ *As at date of issuing these annual financial statements*
† *Audit, Governance and Risk Committee member*
‡ *Nominations Committee member*
* *Remuneration Committee member*
# *Social, Ethics and Transformation Committee member*
@ *Strategy and Investment Committee member*

Company Secretary and registered office

Elmarie Smuts
First Floor, 28 Fricker Road, Illovo, 2196, Gauteng, South Africa
P O Box 40264, Cleveland, 2022, Gauteng, South Africa
Telephone: +27 10 001 6380

Company registration number

1983/012697/06

Date of incorporation

18 November 1983

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196,
Gauteng, South Africa
Private Bag X9000, Saxonwold, 2132, Gauteng, South Africa
Telephone: +27 11 370 5000 or +27 86 11 00 933

Auditor

BDO South Africa Incorporated
Wanderers Office Park, 52 Corlett Drive, Illovo, 2196
Private Bag X60500, Houghton, 2041, Gauteng, South Africa

Banker

The Standard Bank of South Africa Limited

Investment bank and JSE sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank, 2196, Gauteng, South Africa
P O Box 61344, Marshalltown, 2107, Gauteng, South Africa

Investor relations

Anne Dunn: Anne Dunn Communications
Telephone: +27 82 448 2684
Email: anne@annedunn.co.za

Website

www.metrofile.com

metrofile