enX Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
JSE share code: ENX
ISIN: ZAE000222253
("**enX**" or the "**Company**")

EIE GROUP HISTORICAL NUMBERS

Overview of the financial results for EIE Group

EIE Group provides distribution, rental and value-added services for industrial and material handling equipment in South Africa and other African countries.

Financial year 2021

The South African forklift market recovered with total units based on purchases made from the OEMs for the year ended 31 August 2021 increasing significantly compared to the prior year. EIE Group revenue for the year ended 31 August 2021 was R2.111 billion (2020: R1.890 billion), up 12%. Aftermarket revenue and pre-owned unit sales remained strong, but the new equipment market remained under pressure with a higher-than-normal new equipment sales going into the rental fleet rather than a cash sale. Operating margins were in line with last year. With the non-reoccurrence of once-off charges within EIE Group in 2020 stemming from the pandemic and lower depreciation charges on the fleet, profit before tax increased to R82 million. Profit before tax was negatively impacted by R4.5 million of unamortised bank structuring fees from the previous bank financing arrangements, which was written off in full following the refinancing of EIE Group in December 2020. EIE Group was designated as an asset held for sale with effect from 31 August 2021. In terms of IFRS 5, enX was required to assess the carrying value of the asset held for sale in terms of the transaction value. This resulted in enX impairing the held for sale asset by R108 million.

New funding arrangements with bank lenders achieved financial closed during December 2020, whereby EIE Group raised their own independent ring-fenced funding facilities. The proceeds were used to repay all existing bank borrowings and all debt capital market instruments were redeemed. The refinance resulted in a significant extension of maturities for EIE Group. Furthermore, there are material undrawn facilities for the business to meet existing requirements and fund growth.

Financial year 2020

EIE Group markets were impacted significantly by the challenges as a result of the COVID-19 pandemic and were down approximately 32% against the prior year. EIE Group's revenue decreased 15% to R1.890 billion (2019: R2.211 billion) mainly due to significantly lower equipment volumes sold. EIE's operating margins decreased from 12.5% to 8.8% primarily as a consequence of a number of once off costs incurred due to COVID-19 lockdown restrictions amounting to R38 million and included redundancy costs and additional bad debt and stock obsolescence provisions. EIE's profit before taxation decreased to R7 million (2019: R152 million), down 95% compared to the prior year exacerbated by COVID-19 lockdowns restrictions in SA, but being mitigated by the continuity of the aftermarket services to essential customers during the lockdowns. Higher borrowings in South Africa to fund increased working capital levels over the period, resulted in higher net finance charges.

Financial year 2019

EIE Group had a good year and an produced revenue of R2.2 billion (2018: R2.4 billion) with profit before tax of R152 million (2018: R134 million). EIE Group celebrated 35 years as sole distribution of Toyota Forklifts in South Africa and performed well in the current financial year, despite extreme spikes and drops in market demand throughout the year. With the launch of two new products, namely CT Power Forklifts (owned by Toyota) and Sinoboom (an aerial platform solution), EIE continued to deliver as the group's flagship business.

EIE Group
Consolidated statement of financial position
as at

	Notes	**Audited 31 August 2021 R'000**	Reviewed 31 August 2020 R'000	Reviewed 31 August 2019 R'000
ASSETS				
Non-current assets		**2 198 158**	2 156 520	2 131 738
Property, plant, equipment and right-of-use assets	2	**209 163**	202 613	159 484
Leasing assets	3	**1 952 074**	1 915 596	1 910 803
Goodwill	4	**278**	–	–
Intangible assets	5	**265**	102	245
Amounts owing by group entities	6	**383**	4	–
Deferred taxation	7	**35 995**	38 205	61 206
Current assets		**738 680**	993 033	1 104 859
Trade and other receivables	8	**269 615**	246 239	294 374
Inventories	9	**453 647**	727 974	788 269
Derivative financial instruments	10	**374**	2 286	11 776
Taxation receivable		**4 408**	12 640	8
Bank and cash balances	11	**10 636**	3 894	10 432
Total assets		**2 936 838**	3 149 553	3 236 597
EQUITY AND LIABILITIES				
Capital and reserves		**697 545**	635 321	647 905
Stated capital	12	**39 327**	39 327	39 327
Other reserves	13	**–**	–	5 074
Accumulated profit		**658 218**	595 994	603 504
Non-current liabilities		**1 506 448**	193 238	160 090
Interest-bearing liabilities	14	**1 309 999**	–	–
Lease liabilities	25	**31 032**	29 497	–
Employee benefits	32	**813**	–	1 102
Deferred taxation	7	**164 604**	163 741	158 988
Current liabilities		**732 845**	2 320 994	2 428 602
Interest-bearing liabilities	14	**250 096**	–	–
Amounts owing to group companies	6	**88 408**	1 954 101	1 849 224
Lease liabilities	25	**21 016**	16 188	–
Trade, other payables and provisions	15	**357 017**	345 305	555 033
Derivative financial instruments	10	**1 386**	23	–
Taxation payable		**–**	–	7 881
Bank overdrafts	11	**14 922**	5 377	16 464
Total equity and liabilities		**2 936 838**	3 149 553	3 236 597

EIE Group
Consolidated statement of profit or loss and other comprehensive income
for the years ended

	Notes	**Audited 31 August 2021 R'000**	Reviewed 31 August 2020 R'000	Reviewed 31 August 2019 R'000
Revenue	16	**2 111 067**	1 890 383	2 211 392
Cost of sales	17	**(1 496 316)**	(1 320 024)	(1 515 186)
Gross profit		**614 751**	570 359	696 206
Expected credit losses		**(9 672)**	(13 367)	(4 020)
Operating expenses	17	**(387 575)**	(376 330)	(373 297)
Operating profit before items listed below		**217 504**	180 662	318 889
Impairment of leasing assets	3	**(4 818)**	–	–
Operating profit before net finance costs		**212 686**	180 662	318 889
Net finance costs	18	**(131 039)**	(173 310)	(167 171)
Interest received		**2 421**	266	281
Interest expense		**(133 460)**	(173 576)	(167 452)
Profit/(loss) before taxation		**81 647**	7 352	151 718
Taxation	19	**(19 423)**	(14 862)	(52 625)
Profit/(loss) after taxation		**62 224**	(7 510)	99 093
Attributable to:				
Equity holders of the parent		**62 224**	(7 510)	99 093
Non-controlling interests		**–**	–	–
Net profit/(loss) after taxation		**62 224**	(7 510)	99 093
Other comprehensive income/(loss) net of taxation:				
Profit/(loss) after taxation		**62 224**	(7 510)	99 093
Items that may be reclassified subsequently to profit or loss:				
– Foreign currency translation reserve		**–**	–	–
Total comprehensive income/(loss)		**62 224**	(7 510)	99 093
Attributable to:				
Equity holders of the parent		**62 224**	(7 510)	99 093
Non-controlling interests		**–**	–	–
Total comprehensive income/(loss)		**62 224**	(7 510)	99 093

EIE Group
Consolidated statement of changes in equity
for the years ended

	Stated capital R'000	Other reserves R'000	Accumulated profits R'000	Total equity R'000
Balances as at 1 September 2018	39 327	3 817	504 411	547 555
Profit for the year	–	–	99 093	99 093
Share-based payment expense	–	1 257	–	1 257
Balances as at 31 August 2019	39 327	5 074	603 504	647 905
Loss for the year	–	–	(7 510)	(7 510)
Vesting of share-based payment	–	(5 074)	–	(5 074)
Balances as at 31 August 2020	39 327	–	595 994	635 321
Profit for the year	–	–	62 224	62 224
Balances as at 31 August 2021	**39 327**	**–**	**658 218**	**697 545**

EIE Group
Consolidated statement of cash flows
for the years ended

	Notes	**Audited 31 August 2021 R'000**	Reviewed 31 August 2020 R'000	Reviewed 31 August 2019 R'000
Cash flows from operating activities		**1 034 240**	479 795	476 845
Cash generated from operations	20	**1 168 156**	660 726	676 644
Interest received	21	**2 421**	266	281
Interest paid	21	**(128 913)**	(173 576)	(167 452)
Taxation paid	22	**(7 424)**	(7 621)	(32 628)
Cash flows from investing activities		**(705 557)**	(559 809)	(694 022)
Additions to property, plant and equipment	2	**(9 730)**	(11 357)	(12 567)
Additions to leasing assets	3	**(683 481)**	(551 043)	(683 025)
Additions to intangible assets	5	**(258)**	(35)	(144)
Proceeds on disposal of property, plant and equipment	23	**1 238**	2 630	1 714
Acquisition of business	24	**(12 947)**	–	–
Net movement in loans from group companies		**(379)**	(4)	–
Cash flows from financing activities		**(331 486)**	84 563	213 451
Proceeds from interest-bearing liabilities		**1 554 369**	–	–
Net movement in loans due to group companies		**(1 865 693)**	99 257	213 451
Repayment of lease liabilities		**(20 162)**	(14 694)	–
Net increase in cash and cash equivalents		**(2 803)**	4 549	(3 726)
Cash and cash equivalents at beginning of year		**(1 483)**	(6 032)	(2 306)
Cash and cash equivalents at end of year		**(4 286)**	(1 483)	(6 032)
Cash and cash equivalents consist of:				
Bank and cash balances	11	**10 636**	3 894	10 432
Bank overdrafts	11	**(14 922)**	(5 377)	(16 464)
		(4 286)	(1 483)	(6 032)

1. PRINCIPAL ACCOUNTING POLICIES

The historical combined financial information are prepared in compliance with JSE Listings Requirements, IFRS and Interpretations of those standards, as issued by the International Accounting Standards Board (IASB), the financial reporting pronouncements as issued by the Financial Reporting Standards Council (FRSC) that are relevant to its operations and have been effective for the annual reporting period ending 31 August 2021, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the South African Companies Act, 71 of 2008, as amended.

1.1 Basis of preparation

The historical combined financial information, being the subject matter of the Proposed Transaction ("Subject Companies") recorded historical information, has been prepared in accordance with section 8.1 to 8.13 of the JSE Listings Requirements. The basis of preparation describes how the financial information has been prepared in accordance with IFRS, except for the material departures from IFRS noted below. IFRS does not provide for the preparation of historical combined financial information, and accordingly in preparing the historical combined financial information certain accounting conventions commonly used in the preparation of historical combined financial information for inclusion in circulars have been applied and accordingly there have been material departures from IFRS, which are discussed in more detail below. In all other respects, IFRS has been applied.

Historical combined financial information

The historical combined financial information of the subject matter for the 12 months ended 31 August 2021, 31 August 2020 and 31 August 2019 ("the Reporting Period") will be prepared by aggregating the historical financial information relating to the statutory entities and divisions that will be disposed of and is not directly comparable to previously published segmental information. This historical combined financial information has previously been reported as part of the annual financial statements of enX for the Reporting Period, which was prepared in accordance with IFRS. The principle of control in IFRS 10 Consolidated financial statements ("IFRS 10") is not applicable to the subject matter as a result of the historical legal structure. The historical combined financial information is therefore aggregated information prepared using the principles of consolidation under IFRS 10 as if control of the entities within the subject matter existed. This includes elimination of investments in subsidiaries and share capital of subsidiaries within the subject matter where control existed and the elimination of intercompany transactions and balances within the subject matter. The historical combined financial information will be prepared with the objective of presenting the results and net assets of the subject matter for the Reporting Period. The subject matter has, for the periods presented, been under the control of enX. Consequently, this historical combined financial information may not necessarily be indicative of the financial performance that would have been achieved, had the subject matter operated independently for the Reporting Period. Furthermore, it may not be indicative of the financial results in future periods.

Share capital and retained income

The Subject Matter does not constitute a separate legal entity, and therefore, it is not meaningful to disclose a historical analysis of share capital. The total equity attributable to owners of the Subject 35 Matter as disclosed in the historical combined financial information, represents the cumulative investment of enX in the Subject Companies.

Earnings per share, diluted earnings per share and headline earnings per share

As indicated above, it is not considered meaningful to disclose a historical analysis of share capital, therefore, it is not meaningful to disclose a historical analysis of various earnings per share metrics.

1.2 Standards and interpretations not yet effective or relevant

At the date of authorisation of the financial statements of EIE Group for the year ended 31 August 2021, the following Standards and Interpretations were in issue but not yet effective:

Standards and interpretations	Annual periods beginning on or after
Issued and effective	
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021
Amendments to IFRS 16	1 April 2021
Issued but not yet effective	
Amendments to to IAS 16	1 January 2022
Annual improvements to IFRS Standards 2018 – 2020 (May 2020)	1 January 2022
Amendments to IFRS 3 (May 2020)	1 January 2022
Amendments to IAS 37 (May 2020)	1 January 2022
IFRS 17	1 January 2023
Amendments to IAS 1	1 January 2023
Amendments to IFRS 4	1 January 2023
Amendments to IAS 12	1 January 2023
Amendments to IAS 8	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023

The remainder of the new standards and interpretations applicable for the 2021 financial year are not considered to have a material impact on financial reporting.

1.3 Interest in subsidiaries

Subsidiary companies and other controlled entities

The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any inter-group loans receivable which represent by nature a further investment in subsidiaries.

1.4 Property, plant, equipment, right-of-use assets and leasing assets

Property, plant and equipment and leasing assets are stated at historical cost, less accumulated depreciation and impairment losses.

Property, plant and equipment and leasing assets are initially recognised at cost. Transaction costs are included in the initial measurement.

Subsequent costs are recognised to the extent that it is probable that the future economic benefits which are associated with them will flow to the entity and the cost can be measured reliably.

Items of property, plant and equipment and leasing assets are depreciated to their residual values, on a component basis (where applicable), on a straight-line basis over their estimated useful lives, commencing from the date they are available for use. The depreciation is calculated and charged to the statement of comprehensive income over the following periods:

Item	Average useful life
Plant and equipment	3 –10 years
Office equipment	3 – 5 years
Computer equipment	3 years
Motor vehicles	3 –10 years
Leasehold improvements	Lesser of useful life or period of lease
Buildings	Up to 20 years
Leasing assets (forklifts)	3 – 10 years
Right-of-use assets	Lesser of useful life or period of lease

The average lease term in the group ranges from two to eight years.

The residual value, is re-assessed at each year-end together with the useful life of the asset.

Carrying amounts of property, plant and equipment and leasing assets are reduced to their recoverable amounts where these are lower than the carrying amounts. The expected future cash flows attributable to such assets are considered in determining the recoverable amounts. If the recoverable amount is lower than the carrying amount, it is impaired in the statement of profit or loss and comprehensive income.

1.5 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the group's share of the net identifiable assets, fairly valued, on the acquisition date of the subsidiary. Goodwill is stated at cost less accumulated impairments.

Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (discount on acquisition) is credited to profit or loss in the period of acquisition.

Goodwill is allocated to CGUs for the purpose of impairment testing.

The carrying amount of goodwill is assessed at each reporting period, or when deemed necessary. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired.

1.6 Intangible assets other than goodwill

Intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Assessments that the useful lives are indefinite are undertaken annually.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specification to which it relates. All other expenditure is recognised in profit or loss.

Intangible assets with finite useful lives are amortised on a straight-line basis in the statement of comprehensive income over their estimated useful lives. Amortisation is disclosed as part of depreciation and amortisation on the statement of comprehensive income. The estimated useful lives for the current period are as follows:

Item	Useful life
Computer software	2 – 8 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

At the end of each reporting period, or when deemed necessary, the carrying amount is compared to the recoverable amount and as such is tested for any indication of impairment. Where there is an impairment, this will be recorded against the carrying value.

1.7 Inventories

Inventory comprises raw materials, finished goods, vehicles, consumables and work-in-progress.

Inventories are stated at the lower of cost and net realisable value. Cost is determined as follows:

Vehicles	Specific cost
Spares, accessories and finished goods	Weighted average cost

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

Work-in-progress includes production costs and overheads directly attributable to the production of goods; and interest expenses are excluded.

Allowances for inventory that is slow-moving and/or obsolete are made. The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed at least annually and takes into account the age, condition and usage rates of the inventory. Any inventory that is physically identified as damaged is written off when discovered.

The amount of any write-down of inventories to net realisable value and all losses of inventories are charged to the statement of profit or loss and comprehensive income in the period the write-down or loss is incurred. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories through the statement of comprehensive income in the period in which the reversal occurs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

1.8 Financial instruments

Classification and subsequent measurement

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument based on the business model and the contractual cash flows associated with the instrument.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through OCI and fair value through profit or loss (FVTPL). Amortised cost and FVTPL are relevant to the group.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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

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

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

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

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

Trade and other receivables

Trade receivables, loans and other receivables are measured at amortised cost using the effective interest rate method and reduced by the expected credit losses ("ECL"). The group has applied the simplified model determining the lifetime expected credit losses of trade receivables as there is no significant financing component. ECL have been considered in detail as part of the impairment of financial assets. Other receivables include deposits, sundry debtors, claims and recoverables.

Financial instruments are carried at amortised cost and where the effect of the time value of money is not considered to be material, discounting is not applied as the carrying value approximates the fair value.

Impairment of financial assets

An assessment is made at each reporting date whether there is any objective evidence that trade, loans and other receivables are impaired. The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The rates used in the provision matrix are based on days past due and debt written off.

For all other financial assets classified at amortised cost as well as issued loan commitments, the general approach has been applied to calculate the ECL. The ECL is calculated by considering the consequences and probabilities of possible defaults only for the next twelve months.

Trade payables and interest-bearing liabilities

Trade payables and interest-bearing liabilities are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost which approximates fair value. Cash and cash equivalents comprise cash balances and call deposits.

Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are recognised at fair value through profit or loss. These instruments are analysed between current and non-current assets and liabilities, depending on when they are expected to mature. If an instrument is expected to mature within one year from the reporting date it is considered to be current, if the terms of an instruments resulting in the instrument maturing in more than one year from the reporting date it will be recognised as non-current.

Fair value movements are recognised immediately in the statement of comprehensive income.

Fair value calculations

Fair values for unquoted equity instruments are estimated using applicable fair value models. If a quoted bid price is not available for dated instruments, the fair value is determined using pricing models or discounted cash flow techniques. Refer to the “other investments and loans note” and the “derivative financial instruments note” for additional details.

Derecognition

A financial asset is derecognised when its contractual rights to the cash flow from the financial asset expire, or if it transfers the asset together with its contractual rights to receive the cash flows of the financial assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.9 **Leases**

EIE Group as lessor (IFRS 16)

Finance leases

Amounts due under finance leases are treated as installment credit agreements.

Operating leases

Income is recognised in the statement of comprehensive income over the period of the lease term on a straight-line basis.

Income is recognised in the statement of comprehensive income over the period of the lease term on the straight-line basis. Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group’s net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

EIE Group as lessee (IFRS 16)

EIE Group assesses whether a contract is or contains a lease, at inception of the contract. When EIE Group leases an asset a ‘right-of-use asset’ is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments payable, plus any initial direct costs incurred in entering the lease and dismantling costs, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are disclosed as part of property, plant and equipment. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the incremental borrowing rates of the applicable group entity. Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- amounts expected to be payable by the lessee under residual value guarantees. Lease liabilities are disclosed as part of borrowings.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- EIE Group's assessment of the lease term changes;
- lease modifications occur that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the right-of-use asset.

The weighted average incremental borrowing rate applied to the group's lease liabilities recognised in the statement of financial position was within the following range of 9.69% to 11.44%.

In terms of IFRS 16 the group has elected not to recognise right-of-use assets and liabilities for short-term leases less than twelve months or low value assets which is in accordance with the standard. Lease are considered to be low value when they are below R80 000.

1.10 Revenue recognition

New and pre-owned revenue

Revenue comprises the net invoiced amount of goods supplied excluding value-added tax. Revenue from the sale of goods includes the sale of new and pre-owned forklifts.

The performance obligation is satisfied when the goods are delivered to the customer. When the goods have been delivered to the customer, the control has passed, and the revenue is recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin.

Leasing revenue

Revenue from leasing assets is recognised over the period of the contract to the extent of the value of the forklift provided.

The performance obligation that needs to be met is the provision of a forklift to the customer over the lease period.

The leasing of the forklifts is performed over time; therefore, the revenue is recognised over time. The consideration recognised monthly is based on a agreed contract, with either a fixed or fluctuating interest rate. The monthly rental of the forklift is based on the asset value, over the period of the contract, using the contract interest rate, down to a residual value and is therefore easily determined.

Maintenance revenue

Revenue from maintenance contracts is recognised over the period of the maintenance contract in line with the value of the contract.

The performance obligation that needs to be met in line with the maintenance contract includes the provision of maintenance services to the customer as stipulated in the contract, over the contract period. Due to the nature of these agreements there is limited judgement required to determine the revenue recognised.

Service revenue

The provision of services is performed over time; therefore, the revenue is recognised over time as the customer consumes the benefit of the services provided.

The performance obligation that needs to be met is the provision services to the customer as stipulated in the service contract, over the contract period. The nature of these agreements is short-term and therefore there is limited judgement required to determine the revenue recognised.

Parts revenue

Revenue comprises the net invoiced amount of parts supplied excluding value-added tax.

The performance obligation required to recognise the revenue from the sale of parts is the supply or delivery of the parts to the customer. When the parts have been delivered or supplied to the customer, the control has passed, and the revenue can be recognised at that point in time.

1.11 **Finance costs**

Borrowing costs are recognised as an expense charged to the statement of comprehensive income in the period in which they are incurred, except to the extent in which interest paid meets the criteria for capitalisation against a qualifying asset, in which case it is capitalised as part of the cost of the asset.

1.12 **Taxation**

Current taxation

The charge for current taxation is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Taxation is calculated using rates that have been enacted or substantively enacted at the statement of financial position date. To the extent that the current taxation is unpaid, a liability is recognised and if a refund is due at the year-end an asset is raised.

Deferred tax

Deferred taxation is calculated at the taxation rates enacted or substantially enacted at statement of financial position date and are expected to apply when the related deferred taxation asset is realised or deferred liability is settled and is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation is raised on all temporary differences, other than the initial recognition of goodwill, and of assets or liabilities in transactions other than business combinations which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred taxation is provided for on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group is able to and intends to settle its current tax assets and liabilities on a net basis.

1.13 **Impairment of assets**

The carrying amount of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is an indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is estimated at least annually for all goodwill and intangible assets with an indefinite useful life. The recoverable amount of an asset is calculated as the higher of its value in use or its fair value less cost to sell.

In assessing the value-in-use, the expected future cash flows from the cash-generating unit ("CGU") or assets are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment calculation purposes, goodwill is allocated to the CGUs expected to benefit from the business combination.

An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Where the recoverable amount of an individual asset cannot be determined, the recoverable amount of the CGU to which the asset belongs is determined. An impairment loss on a CGU will be allocated first to goodwill and then to the other assets in the CGU unit on a proportionate basis.

A previously recognised impairment loss is reversed if the recoverable amount of the asset increases as a result of a change in the estimate used to determine the recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. An impairment loss in respect of goodwill is not reversed.

1.14 Foreign currencies

Foreign currency transactions

Transactions denominated in foreign currencies are translated at the rates of exchange ruling on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Gains or losses arising on translations are credited to, or charged against, the statement of comprehensive income.

1.15 Management judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income or expenses. Actual results may differ from these judgements, estimates and assumptions. There are not considered to be any significant judgements which need to be made in applying the group's accounting policies or IFRS.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates revised. The accounting estimates that give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

Significant estimates

Certain accounting areas have been identified as involving significant estimates:

Residual values of leasing assets

Leasing assets are depreciated over their useful life taking into account residual values. The actual lives of the assets and residual values are assessed at the reporting date and may vary depending on a number of factors. In re-assessing residual values, factors such as leasing contract terms, maintenance programmes, future market conditions, the remaining life of the asset and projected disposal values are taken into account.

Deferred taxation assets

Deferred taxation assets are raised only to the extent that it is probable that future taxable income will be available against which the deferred taxation asset can be used. A deferred taxation asset of R24.1 million (2020: R30.4 million) was raised based on tax losses available for set-off against future taxable income. Management has projected future taxable income for those businesses which have available tax losses based on budgets approved by the board of directors. The budgets forecast limited growth and the period over which tax losses can be recovered has been limited to 5 years.

The carrying amount of the deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred taxation asset to be utilised. Unrecognised deferred taxation assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred taxation asset to be recovered. Please refer to note 7 for additional details around these estimates.

Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment and leasing assets are considered for impairment if there is any reason to believe that an impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of the unit. Future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value.

Intangible assets

Intangibles are assessed for impairment if impairment indicators are considered to exist with regard to the specific intangible asset. In testing the recoverable amount of indefinite life intangible assets, future cash flows, the expected useful lives and appropriate discount rates are used as key management estimates.

1.16 **Share-based payments**

The following group share-related incentive plans exist:

Cash settled share-based payment plan

The share appreciation rights plan is accounted for as a cash-settled share-based payment plan. The plan is recognised at the fair value of the obligations due, in the statement of financial position, over the vesting period up to and including settlement date with a corresponding charge to the statement of comprehensive income. The liability is re-measured at each reporting date, using the Black-Scholes model to reflect the revised value of the notional enX shares at reporting date, adjusted for changes in assumptions including management's estimate of the number of notional enX shares that will ultimately vest. Changes in the fair value are recognised through the statement of comprehensive income.

Equity-settled share-based payment plan

The Forfeitable Share Plan (FSP) which will be equity-settled.

Equity-settled share-based payments are measured at fair value at the date of grant using the Binomial Model. The fair value determined at the grant date of the equity-settled share-based payment is charged through the statement of comprehensive income on the straight-line basis over the vesting period. The charge takes into account the best estimate of the number of shares that are expected to vest. Non-market conditions such as time-based vesting conditions and non-market performance conditions are included in the assumptions for the number of options that are expected to vest.

The shares awarded under the FSP are issued or purchased in the open market and held in an escrow account. These escrow shares are treated as treasury shares. At each reporting date, the entity revises its estimates on the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, through the statement of comprehensive income.

1.17 **Related party disclosure**

We define key management personnel and prescribed officers as the directors of enX and those individuals with significant influence over financial and operating decisions of the EIE Group.

1.18 **Business combinations**

Business combinations are accounted for in accordance with the acquisition method of accounting. Subsidiaries are consolidated from the dates on which the group acquires effective control of the entity. They are deconsolidated from the date control ceases.

The cost of an acquisition is measured as the fair value of assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Transaction costs are charged to the statement of comprehensive income expensed in terms of IFRS.

Investments in subsidiaries are accounted for at cost in the company accounts. The carrying amount of these investments are reviewed annually and written down for impairment where considered necessary. An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

The group treats transactions with non-controlling interest holders as transactions with equity holders of the group. Disposals to non-controlling interest holders that do not result in the loss of control result in gains and losses for the group that are recorded directly in the statement of changes in equity. The difference between any consideration paid and the relevant share of the net asset value acquired from non-controlling interest holders is recorded directly in the statement of changes in equity.

Intra-group transactions, balances and unrealised gains or losses on transactions are eliminated on consolidation.

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
2. **Property, plant, equipment and right-of-use assets**					
As at 31 August 2021					
Cost	30 509	62 495	58 675	199 090	350 769
Accumulated depreciation and impairments	(27 612)	(31 890)	(51 336)	(30 768)	(141 606)
Net carrying value of owned and right-of-use assets	2 897	30 605	7 339	168 322	209 163
Owned assets					
Cost	30 509	16 240	58 675	164 692	270 116
Accumulated depreciation and impairments	(27 612)	(10 862)	(51 336)	(20 686)	(110 496)
Net carrying value	2 897	5 378	7 339	144 006	159 620
Movement summary					
Carrying value at the beginning of the year	3 519	2 180	9 594	142 829	158 122
Acquired through business combinations	218	1 405	87	–	1 710
Additions	920	3 922	2 296	2 592	9 730
Disposals	(26)	(784)	(124)	–	(934)
Depreciation – included in operating expenses	(1 734)	(1 345)	(4 513)	(1 415)	(9 007)
Carrying value at the end of the year	2 897	5 378	7 340	144 006	159 621
Right-of-use assets					
Cost	–	46 255	–	34 398	80 653
Accumulated depreciation and impairments	–	(21 028)	–	(10 082)	(31 110)
Net carrying value	–	25 227	–	24 316	49 543
Movement summary					
Carrying value at the beginning of the year	–	40 071	–	4 419	44 490
Additions	–	13 812	–	12 714	26 526
Depreciation – included in operating expenses	–	(15 943)	–	(5 531)	(21 474)
Carrying value at the end of the year	–	37 940	–	11 602	49 542
Total carrying value at the end of the year of owned and right-of-use assets	2 897	43 318	7 340	155 608	209 163
As at 31 August 2020					
Cost	29 443	62 046	66 346	171 206	329 041
Accumulated depreciation and impairments	(25 924)	(19 794)	(56 752)	(23 958)	(126 428)
Net carrying value at 31 August 2020 of owned and right-of-use assets	3 519	42 252	9 594	147 248	202 613
Owned assets					
Cost	29 443	10 638	66 346	162 235	268 662
Accumulated depreciation and impairments	(25 924)	(8 457)	(56 752)	(19 406)	(110 539)
Net carrying value	3 519	2 181	9 594	142 829	158 123

	Plant and equipment R’000	Motor vehicles R’000	Computer and office equipment R’000	Property and leasehold improvements R’000	Total R’000
Movement summary					
Carrying value at the beginning of the year	3 913	2 361	8 839	144 371	159 484
Additions	1 934	1 523	6 416	1 484	11 357
Disposals	(632)	(856)	(375)	(458)	(2 321)
Depreciation – included in operating expenses	(1 696)	(847)	(5 286)	(2 568)	(10 397)
Carrying value at 31 August 2020	3 519	2 181	9 594	142 829	158 123
Right-of-use assets					
Cost	–	51 408	–	8 971	60 379
Accumulated depreciation and impairments	–	(11 337)	–	(4 552)	(15 889)
Net carrying value	–	40 071	–	4 419	44 490
Carrying value at the beginning of the year	–	–	–		–
Additions due to adoption of IFRS 16	–	24 686	–	4 419	29 105
Carrying value as at 1 September 2020	–	24 686	–	4 419	29 105
Movement summary		–			
Net book value at beginning of year	–	24 686	–	4 419	29 105
Additions	–	26 722	–	4 552	31 274
Depreciation – included in operating expenses	–	(11 337)	–	(4 552)	(15 889)
Carrying value at 31 August 2020	–	40 071	–	4 419	44 490
Total carrying value at 31 August 2020 of owned and right-of-use assets	3 519	42 252	9 594	147 248	202 613
As at 31 August 2019					
Cost	28 141	11 282	60 456	161 209	261 088
Accumulated depreciation and impairments	(24 229)	(8 920)	(51 617)	(16 838)	(101 604)
Net carrying value	3 912	2 362	8 839	144 371	159 484
Movement summary					
Carrying value at the beginning of the year	3 388	3 077	10 861	142 044	159 370
Additions	2 185	1 207	3 863	5 312	12 567
Disposals	(54)	(994)	(349)	(193)	(1 590)
Depreciation – included in operating expenses	(1 607)	(928)	(5 536)	(2 792)	(10 863)
Carrying value at 31 August 2019	3 912	2 362	8 839	144 371	159 484

A register of property, plant and equipment is available for inspection at the registered office of the company.

Property, plant and equipment with a carrying value of R159.6 million (2020: R Nil), have been encumbered to secure long-term debt (refer to note 14 Interest-bearing liabilities).

The management assumptions around useful lives and residual values are disclosed in the accounting policy notes (refer to note 1.5 Property, plant, equipment, right-of-use assets and leasing assets)

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
3. Leasing assets			
Cost	**2 744 819**	2 691 075	2 709 682
Accumulated depreciation	**(792 745)**	(775 479)	(798 879)
Net carrying value	**1 952 074**	1 915 596	1 910 803
Movement summary			
Carrying value at the beginning of the year	**1 915 596**	1 910 803	1 734 209
Additions	**683 481**	551 043	683 025
Depreciation	**(434 346)**	(444 712)	(430 622)
Transfer to inventories	**(207 839)**	(101 538)	(75 809)
Impairment	**(4 818)**	–	–
Carrying value at the end of the year	**1 952 074**	1 915 596	1 910 803

Leased assets with a carrying value of R1 952 million, have been encumbered to secure interest-bearing liabilities (refer to note 14).

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
4. Goodwill			
Cost	**278**	–	–
Accumulated impairments	**–**	–	–
Net carrying value	**278**	–	–
Arising on acquisition of:			
– EIE Group	**278**	–	–
Closing net carrying value	**278**	–	–
Movement summary			
Carrying value at the beginning of the year	**–**	–	–
Acquired through business combinations (note 24)	**278**	–	–
Carrying value at the end of the year	**278**	–	–

Impairment review

In accordance with IAS 36 Impairment of assets, goodwill is reviewed annually for impairment, or more frequently if there is an indication that goodwill might be impaired.

During the current year, EIE Group acquired one company resulting in goodwill in EIE Group of R278 thousand. This goodwill arose as a result of the expected synergies and costs savings in expanding the EIE Group operations. This forms part of the EIE Group that is currently being divested to CFAO South Africa.

	Computer software R'000	Total R'000
5. Intangible assets		
As at 31 August 2021		
Cost	2 178	2 178
Accumulated amortisation and impairments	(1 913)	(1 913)
Net carrying value	265	265
Estimated useful life of the intangibles	3 – 10 years	–
Movement summary		
Carrying value at the beginning of the year	102	102
Additions	258	258
Amortisation for the year	(95)	(95)
Carrying value at the end of the year	265	265
As at 31 August 2020		
Cost	1 920	1 920
Accumulated amortisation and impairments	(1 818)	(1 818)
Net carrying value	102	102
Estimated useful life of the intangibles	3 – 10 years	–
Movement summary		
Carrying value at the beginning of the year	245	245
Additions	35	35
Amortisation for the year	(178)	(178)
Carrying value at the end of the year	102	102
As at 31 August 2019		
Cost	1 885	1 885
Accumulated amortisation and impairments	(1 640)	(1 640)
Net carrying value	245	245
Estimated useful life of the intangibles	3 – 10 years	
Movement summary		
Carrying value at the beginning of the year	472	472
Additions	144	144
Amortisation for the year	(371)	(371)
Carrying value at the end of the year	245	245

Other information

In accordance with IAS 36 impairment of assets, intangible assets with indefinite useful lives are reviewed annually for impairment, or more frequently if there is an indication that the goodwill or intangible assets might be impaired.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
6. Amounts owing by/(to) group companies			
Due by group companies			
enX Leasing Investments Propriety Limited	**383**	4	–
Total amounts due by group companies	**383**	4	–
Due to group companies			
enX Corporation Limited	**–**	1 846 072	1 746 818
enX Leasing Investments Propriety Limited	**88 408**	108 029	102 406
Total amounts due to group companies	**88 408**	1 954 101	1 849 224
Effective interest rate on loans	**7.02%**	8.87%	9.90%

The loan amounts are unsecured, interest-bearing, with no fixed terms of repayment and are payable on demand, however, the directors do not have the intension to recall the loans in the next 12 months.

During December 2020 the inter-company debt with enX Corporation Limited was settled in full. This settlement was funded by interest-bearing liabilies held directly by EIE Group, refer to note 14 for full details on the interest-bearing liabilities.

The loans are unsecured, have no fixed repayment terms and bear interest at a market related interest rate of 7.02% p.a. (2020 and 2019: 8.87% and 9.90%) and as a result the carrying amounts are considered to approximate fair value.

Loans with group entities are level 3 financial instruments. Level 3 financial instruments are valued using various business-related inputs which are not based on observable market data. Please refer to note 29, Financial Instruments for additional details.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
7. Deferred taxation			
The balance consists of:			
Property, plant and equipment and right-of-use assets	**(13 872)**	–	–
Leasing assets	**(184 304)**	(178 510)	(179 893)
Inventories	**8 080**	7 398	6 019
Trade and other receivables	**2 557**	3 379	1 089
Trade, other payables and provisions	**20 252**	11 795	20 723
Other	**14 574**	–	1 730
Tax losses	**24 104**	30 401	52 551
Total carrying amount	**(128 609)**	(125 536)	(97 782)
Movement summary			
Balance at the beginning of the year	**(125 536)**	(97 782)	(84 481)
Acquired through business combinations (note 24)	**147**	–	–
Temporary differences for the year	**(3 220)**	(27 754)	(13 301)
Balance at the end of the year	**(128 609)**	(125 536)	(97 782)
Disclosed as:			
Deferred taxation – non-current assets	**35 995**	38 205	61 206
Deferred taxation – non-current liabilities	**(164 604)**	(163 741)	(158 988)
	(128 609)	(125 536)	(97 782)
Tax losses			
Total taxation losses available for set off against future profits	**58 493**	120 985	223 394
Taxation losses not recognised due to unpredictability of future taxable income	**(34 389)**	(90 584)	(170 843)
Deferred tax assets recognised in respect of such taxation losses	**24 104**	30 401	52 551

Deferred taxation assets are raised only to the extent that it is probable that future taxable income will be available against which the deferred taxation asset can be used. A deferred taxation asset of R24.1 million (2020: R30.4 million and 2019: R52.6 million) was raised based on tax losses available for set-off against future taxable income. None of the tax losses expire. Management has projected future taxable income for those businesses which have available tax losses based on budgets approved by the board of directors. The budgets forecast limted growth in a conservative model and the period over which tax losses can be recovered has been limited to five years. The group remains confident of its ability to generate future taxable income and thus judgement is applied with regard to the timing of the utilisation of the deferred taxation assets.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
8. **Trade and other receivables**			
Gross trade receivables	**264 102**	248 375	284 112
Impairment allowance raised against trade receivables	**(14 075)**	(18 028)	(9 788)
Net trade receivables	**250 027**	230 347	274 324
Prepayments	**3 956**	2 236	6 603
Value added taxation	**7 348**	8 950	9 060
Sundry debtors, deposits, recoverables and other receivables	**8 284**	4 706	4 387
Total carrying amount	**269 615**	246 239	294 374
Disclosed as:			
Trade and other receivables – non-current	**–**	–	–
Trade and other receivables – current	**269 615**	246 239	294 374
	269 615	246 239	294 374

Trade receivables are stated at amortised cost less impairment allowances which is considered to approximate their fair value due to their short-term maturity. The long-term portion is stated at amortised cost. Refer to note 29.

Movement in impairment allowance raised against receivables			
Balance at the beginning of the year	**18 028**	9 788	6 896
Impairment allowance raised during the year	**783**	19 114	8 765
Impairment allowance utilised during the year	**(4 736)**	(10 874)	(5 873)
Balance at the end of the year	**14 075**	18 028	9 788

Basis of raising impairment allowances against receivables

The recoverability of trade and other receivables is continuously reviewed on an individual basis. Credit limits are continuously monitored through payment history checks and industry information.

An assessment is made at each reporting date whether there is any objective evidence that trade and other receivables are impaired. The group applies the simplified approach to calculate the expected credit loss ("ECL") of trade receivables. The rates used in the ECL provision matrix are based on days past due and debt written off. Further information regarding credit risk and credit risk management is detailed in note 29.

The considerations taken into account in determining whether there are any adjustments required for future information with regards to the ECL include the expected rate of inflation as well as the expected future economic conditions of the markets impacting the debtors book.

Related credit exposure and enhancements			
Maximum exposure to credit losses of trade and other receivables	**250 027**	230 347	274 324
Credit risk mitigated through:			
Credit Insurance	**–**	–	–
Residual exposure	**250 027**	230 347	274 324

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
9. Inventories			
Raw materials	**86 835**	75 307	75 860
New vehicles, forklifts and generators	**214 083**	456 537	472 484
Used vehicles and forklifts	**84 017**	118 353	51 154
Work in progress	**18 296**	9 994	8 461
Goods in transit	**79 274**	94 202	199 286
Gross inventories	**482 505**	754 393	807 245
Impairment allowance raised against inventories	**(28 858)**	(26 419)	(18 976)
Total carrying amount	**453 647**	727 974	788 269
Movement in impairment allowance raised against inventories			
Balance at the beginning of the year	**26 419**	18 976	22 208
Impairment provisions raised during the year	**7 740**	14 308	6 306
Impairment provisions utilised during the year	**(5 301)**	(6 865)	(9 538)
Balance at the end of the year	**28 858**	26 419	18 976
Inventories are valued at the lower of cost and net realisable value.			
Inventories carried at net realisable value included above	**–**	–	–
Amounts recognised as an expense in the year	**(1 496 316)**	(1 320 024)	(1 515 186)

	2021 R'000	2020 R'000	2019 R'000
10. Derivative financial instruments			
ASSETS			
Forward exchange contracts, at fair value through profit or loss	**374**	2 286	11 776
	374	2 286	11 776
LIABILITIES			
Forward exchange contracts, at fair value through profit or loss	**1 386**	23	–
	1 386	23	–

These financial instruments are level 2 financial instruments – valuations based on observable and unobservable inputs. The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
11. Bank and cash balances			
Cash on hand	**136**	123	124
Bank accounts	**10 500**	3 771	10 308
Bank overdrafts	**(14 922)**	(5 377)	(16 464)
	(4 286)	(1 483)	(6 032)
Disclosed as:			
Bank and cash balances – current assets	**10 636**	3 894	10 432
Bank overdrafts – current liabilities	**(14 922)**	(5 377)	(16 464)
	(4 286)	(1 483)	(6 032)

EIE Group's cash and cash equivalents relate to short-term deposits placed with banks which have strong credit ratings which is considered to mitigate the expected credit loss risk.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2020 R'000
12. Stated capital			
Authorised shares			
34 665 768 (2020 & 2019: 34 665 768) ordinary shares of no par value			
Issued shares			
34 504 292 (2020 & 2019: 34 504 292) ordinary shares of no par value	**39 327**	39 327	39 327

The unissued ordinary shares are under the control of the directors until the next annual general meeting, subject to the provisions of the Companies Act.

12.1 **Equity-settled compensation benefits**

Forfeitable share plan (FSP) scheme

The FSP scheme allows certain senior employees to receive shares should certain conditions be fulfilled.

	Date of issue	**Period to expire from date of issue**	**IFRS 2 classification**
enX Group Limited	14 December 2016	3 years	Equity settled
The value of the FSP has been calculated using the Binomial model based on the following assumptions:			**December 2016 scheme**
– Expected dividend yield (%)			–
– Fair value of the FSP on grant date			17,90

	2021 R'000	2020 R'000	2020 R'000
Share-based payment expense recognised			
FSP scheme		–	1 615
Shares available for allocation to incentive schemes and movement during the year			
FSP scheme	**–**	–	5 074
Share appreciation rights at beginning of the year	**–**	5 074	3 817
Share appreciation expense during the year	**–**	546	1 257
Share appreciation rights settled during the year	**–**	(5 620)	–

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
13. Other reserves			
Share-based payment reserve	–	–	5 074
	–	–	5 074
Movement summary			
Balance at the beginning of the year	–	5 074	3 817
Share-based payment expense		546	1 257
Share-based payment vesting	–	(5 620)	–
Balance at the end of the year	–	–	5 074

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
14. Interest-bearing liabilities			
Long-term in nature		–	–
– Secured loans	**1 310 000**	–	–
Short-term in nature			
– Secured short-term loans, call borrowings and bank overdrafts	**250 095**	–	–
Total borrowings	**1 560 095**	–	–
Disclosed as:			
Non-current liabilities	**1 309 999**	–	–
Current liabilities	**250 096**	–	–
Total borrowings	**1 560 095**	–	–
Reconciliation of movement in interest-bearing liabilities			
Opening balance at beginning of year	–	–	–
Proceeds from facilities during the year	**1 560 095**	–	–
Closing balance at the end of the year	**1 560 095**	–	–

	2021		2020		2019	
Interest rate analysis	**Effective rates %**	**Analysis of debt R'000**	Effective rates %	Analysis of debt R'000	Effective rates %	Analysis of debt R'000
Variable linked						
– Secured loans	**6.25% – 6.88%**	**1 560 095**	–	–	–	–
		1 560 095		–		–

	2025 and onwards Rm	**2024 Rm**	**2023 Rm**	**2022 Rm**	**2021 Rm**	**Total Rm**
Summary of interest-bearing borrowings by year of redemption or repayment						
31 August 2021						
South Africa	1 309 999	–	–	250 096	–	1 560 095
Rest of world	–	–	–	–	–	–
Total	1 309 999	–	–	250 096	–	1 560 095

	2024 and onwards Rm	2023 Rm	2022 Rm	2021 Rm	2020 Rm	Total Rm
31 August 2020						
South Africa	–	–	–	–	–	–
Rest of world	–	–	–	–	–	–
Total	–	–	–	–	–	–

	2023 and onwards Rm	2022 Rm	2021 Rm	2020 Rm	2019 Rm	Total Rm
31 August 2020						
South Africa	–	–	–	–	–	–
Rest of world	–	–	–	–	–	–
Total	–	–	–	–	–	–

The undiscounted disclosure of the futrue contractual cash flows has been disclosed in note 29.

	2021		2020		2019	
	Debt secured Rm	**Net book value of assets encumbered Rm**	Debt secured R'000	Net book value of assets encumbered R'000	Debt secured R'000	Net book value of assets encumbered R'000
Details of encumbered assets as follows:						
Plant and equipment, inventory and leasing assets	**1 560 095**	**2 565 341**	–	–	–	–
Total	**1 560 095**	**2 565 341**	–	–	–	–

	2021 R'000	2020 R'000	2019 R'000
Borrowing facilities			
In terms of the MOI the borrowing powers of the company are unlimited.			
Total facilities established	**2 085 000**	–	–
Less: Total borrowings including medium-term notes	**(1 560 095)**	–	–
Unutilised borrowing facilities	**524 905**	–	–

The EIE Group complied with all funding covenants during the current and prior years.

Details of securities provided to the funders are presented in notes 2, 3 and 9.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
15. Trade, other payables and provisions			
Trade payables	**224 094**	244 467	425 450
Accruals	**27 735**	26 959	17 445
Value added taxation	**13 412**	9 152	8 415
Employee-related accruals	**61 426**	28 078	66 486
Provisions	**1 049**	1 783	1 476
IFRS 15 contract liabilities	**14 775**	15 084	7 864
Sundry and other payables	**14 526**	19 782	27 897
	357 017	345 305	555 033

The directors consider the carrying amount of trade and other payables to approximate their fair value.

The average credit period is between 30 and 60 days. No interest is charged on trade payables for the first 1 to 60 days from the date of invoice. Terms with significant suppliers average 90 to 120 days,

The group has financial risk policies in place to ensure that all payables are paid within the credit time frame (refer to note 29).

	2021 R'000	2020 R'000	2019 R'000
Provisions			
Provisions consists primarily of royalty and warranty provisions, which have limited estimation uncertainty, and are settled within a 12-month period following year-end			
Balance at the beginning of the year	**1 783**	1 476	1 046
Provision raised during the year	**795**	1 328	1 295
Provision utilised during the year	**(1 529)**	(1 021)	(865)
Balance at the end of the year	**1 049**	1 783	1 476

	2021 R'000	2020 R'000	2019 R'000
IFRS 15 contract liabilities			
Balance at the beginning of the year	**15 084**	7 864	9 632
Utilisation of contract liability net of income received in advance for the year	**(309)**	7 220	(1 768)
Balance at the end of the year	**14 775**	15 084	7 864

There have been no significant changes to the contract liability balance other than those noted above.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
16. Revenue			
Revenue recognised at a point in time			
Sale of goods, consumables and parts	**703 188**	639 678	883 980
Sale of used goods	**184 653**	107 716	140 974
Total revenue recognised at a point in time	**887 841**	747 394	1 024 954
Revenue recognised over time			
Leasing rentals	**799 934**	783 557	794 320
Maintenance and service revenue	**423 064**	359 204	391 464
Other revenue	**228**	228	654
Total revenue recognised over time	**1 223 226**	1 142 989	1 186 438
Total revenue	**2 111 067**	1 890 383	2 211 392

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
17. Operating profit			
Operating profit before net finance costs and earnings from associate is stated after taking the following into account:			
Net expenses include:			
Cost of sales	**1 496 316**	1 320 024	1 515 186
Staff costs: operating expenses	**188 309**	223 385	203 947
Depreciation	**464 922**	471 176	441 856
Other operating expenses	**(255 984)**	(304 864)	(268 486)
	1 893 563	1 709 721	1 892 503
Operating profit is stated after taking the following items into account:			
Foreign exchange differences			
Unrealised forex differences	**710**	(4 518)	1 949
Realised forex differences	**10 220**	16 963	3 587
Fair value measurement of forward exchange contract	**–**	–	14 594
	10 930	12 445	20 130
Operating lease and rental charges (short-term and low value leases)			
Premises	**6 483**	7 075	10 521
Computer and office equipment	**899**	449	2 819
	7 382	7 524	13 340
Profit on sale of non-current assets			
Profit on disposal of property, plant and equipment	**(304)**	(309)	(124)

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
Other			
Net expected credit loss	**9 672**	13 367	4 020
Expected credit loss on financial assets	**(3 953)**	8 240	2 892
Bad debts written off	**13 625**	5 127	1 128
Retrenchment costs	**–**	12 900	1 477
Consulting fees	**1 710**	1 087	1 551
Audit fees	**4 007**	2 745	3 084
Share-based payment charge/ (credit)	**–**	546	1 257
Employee costs			
Executive directors	**33 209**	18 778	15 446
Other staff	**371 743**	413 457	403 359
	404 952	432 235	418 805
Defined contribution retirement plan costs (included in staff costs) – provident fund	**32 595**	32 187	34 651

Defined contribution plan

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

EIE Group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds.

	2021 R'000	2020 R'000	2019 R'000
Depreciation and amortisation included in other operating expenses			
Intangible asset amortisation	**95**	178	371
Property, plant and equipment depreciation	**30 481**	26 286	10 863
Leasing assets depreciation	**434 346**	444 712	430 622
Depreciation and amortisation	**464 922**	471 176	441 856

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
18. **Net finance costs**			
Interest received			
Interest received on funds and deposits with banks	**2 421**	266	281
	2 421	266	281
Interest expense			
Interest to inter companies	**38 687**	169 954	167 408
Interest paid to banks	**86 355**	–	–
Interest paid on lease liabilities	**3 871**	3 620	–
Debt raising fees written off	**4 547**	–	–
Other	**–**	2	44
	133 460	173 576	167 452
Net finance costs	**131 039**	173 310	167 171

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
19. **Taxation**			
South African normal taxation			
Current year	**21 465**	2 525	39 324
Prior year	**(5 262)**	(15 417)	
South African deferred taxation			
Current year	**3 220**	(640)	3 301
Prior year	**–**	28 394	10 000
	19 423	14 862	52 625
Reconciliation of rate of taxation			
Accounting profit before taxation	**81 647**	7 352	151 718
Taxation at South African normal taxation rate (28%)	**22 861**	2 059	42 481
Tax effect of adjustments to taxable income			
Permanent differences:			
– Other non-deductible expenses	**1 824**	–	144
– Other non-taxable income	**–**	(174)	–
– Prior year	**(5 262)**	12 977	10 000
Taxation per statement of comprehensive income	**19 423**	14 862	52 625

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
20. **Cash generated from operations**			
Profit before taxation	**81 647**	7 352	151 718
Adjusted for:			
– Interest received	**(2 421)**	(266)	(281)
– Interest expense	**133 460**	173 576	167 452
– Depreciation and amortisation	**464 922**	471 176	441 856
– Profit on disposal of property, plant and equipment	**(304)**	(309)	(124)
– Share-based payment expense – non-cash	**–**	546	1 257
– Exceptional items	**–**	–	(344)
– Impairment of property, plant and equipment and receivables	**19 133**	5 089	966
– Foreign exchange movement	**10 930**	12 445	20 130
Cash generated from operations before working capital movements	**707 367**	669 609	782 630
Changes in working capital	**460 789**	(8 883)	(105 986)
Decrease/(increase) in inventories	**487 172**	161 833	(151 496)
(Increase)/decrease in trade and other receivables	**(19 866)**	52 459	(40 946)
(Decrease)/increase in trade and other payables	**(6 517)**	(223 175)	86 456
	1 168 156	660 726	676 644

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
21. Interest paid/received			
Interest paid			
Total interest expense (refer to note 18)	**(133 460)**	(173 576)	(167 452)
Debt raising fees written off	**4 547**	–	–
Total interest paid (in cash)	**(128 913)**	(173 576)	(167 452)
Interest received			
Total interest received (refer to note 18)	**2 421**	266	281
Total interest received (in cash)	**2 421**	266	281
Total net interest paid in cash	**(126 492)**	(173 310)	(167 171)
22. Taxation paid			
Net taxation payable at beginning of year	**12 640**	(7 873)	12 124
Current tax charged to the statement of comprehensive income	**(16 203)**	12 892	(52 625)
Acquisition of business	**547**	–	
Net taxation payable at end of year	**(4 408)**	(12 640)	7 873
	(7 424)	(7 621)	(32 628)
23. Proceeds on disposal of property, plant and equipment			
Book value of assets disposed	**934**	2 321	1 590
Profit on disposal of property, plant and equipment	**304**	309	124
Proceeds on disposal of property, plant and equipment	**1 238**	2 630	1 714

24. **Business combination**

EIE Group acquisition during the 2021 financial year

The details of the fair value of the assets and liabilities acquired through the business combination in the current year are detailed below:

Identifiable assets acquired and liabilities assumed

	2021 R'000
Property, plant and equipment	**1 710**
Goodwill	**278**
Inventories	**5 006**
Deferred taxation	**147**
Trade and other receivables	**15 946**
Taxation receivable	**547**
Interest-bearing liabilities	**(1 179)**
Trade, other payables and provisions	**(8 428)**
Bank overdraft	**(3 227)**
Total identifiable assets acquired	**10 800**
Total consideration paid	**(10 800)**
Purchase price	**(10 800)**
Purchase consideration payable as at 31 August 2021	**1 080**
Bank overdraft	**(3 227)**
Net cash outflow on total acquisition	**(12 947)**

Acquisition of Unicape

Effective 1 October 2020 600 SA (Pty) Ltd, an indirect wholly-owned subsidiary of enX Group, concluded an agreement to acquired 100% of the share capital in Unicape (Pty) Ltd, a forklift dealer located in the Cape, to increase the group's forklift business footprint in the SA.

The purchase price paid was R10.8 million. The amount due was settled through the existing facilities with Investec. There is no contingent consideration. The goodwill acquired arose as a result of the expected synergies and costs savings in expanding the SA operations.

Revenue of R39.2 million and net loss after taxation of R8.0 million have been included in these results with effect from the acquisition dates. If the acquisitions had occurred on 1 September 2020, the following amounts would have been included in the EIE Group results: Revenue of R47.4 million and net profit after taxation of R7.6 million.

No assets have been acquired through business combinations during the prior year.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
25. **Lease Liabilities**			
Leases: payable			
Premises	**12 226**	2 723	–
Vehicles	**39 822**	42 962	–
	52 048	45 685	–
These commitments relate to the following periods:			
Due within 1 year	**24 067**	19 074	–
Due within 2 years	**16 024**	15 305	–
Due within 3 years	**9 470**	10 652	–
Due within 4 years	**4 772**	4 988	–
Thereafter	**3 955**	1 492	–
	58 288	51 511	–
Less: Unearned interest	**(6 240)**	(5 825)	–
Lease liabilities – IFRS 16	**52 048**	45 685	–
Disclosed as:			
Non-current liabilities	**31 032**	29 497	–
Current liabilities	**21 016**	16 188	–
	52 048	45 685	–
Movement summary			
Opening balance	**45 685**	–	–
Lease liabilities arising on adoption of IFRS 16	**–**	60 379	–
Additions	**26 525**	–	–
Interest expense	**3 871**	3 620	–
Repayments	**(24 033)**	(18 314)	–
Closing balance of lease liabilities	**52 048**	45 685	–
Disclosed as:			
Non-current liabilities	**31 032**	29 497	–
Current liabilities	**21 016**	16 188	–
	52 048	45 685	–

The lease commitment note took into account contractual cashflows as at 31 August 2021 excluding lease term extensions. On adoption of IFRS 16 in the prior year in terms of the transition requirements, the lease term extension was taken into account in measuring the liability on 1 September 2020 as required by IFRS 16.

The maturity profile of the lease commitments is detailed above.

No contingent rental is payable. No restrictions are imposed by lease agreements concerning dividends, additional debt and further leasing. Average annual escalation ranges between 4% and 10%.

Operating leases: receivable

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

31 August 2021	**More than five years R'000**	**One to five years R'000**	**Less than one year R'000**	**Total R'000**
Forklifts				
31 August 2020				
Forklifts	–	456 810	391 235	848 045
	–	456 810	391 235	848 045
31 August 2019				
Forklifts	–	–	–	–

26. Retirement benefits

Defined contribution plan

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

EIE Group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds. Contributions to defined benefit plans are detailed in note 17.

27. Contingent liabilities and guarantees

There are not considered to be any contingent liabilities or guarantees at 31 August 2021 (2020: nil).

28. Analysis of assets and liabilities by financial instrument classification

	Financial assets at fair value through profit and loss*			Loans and receivables at amortised cost			Financial liabilities at amortised cost			Non-financial instruments			Equity			Total		
	2021 R'000	2020 R'000	2019 R'000	**2021 R'000**	2020 R'000	2019 R'000	**2021 R'000**	2020 R'000	2019 R'000	**2021 R'000**	2020 R'000	2019 R'000	**2021 R'000**	2020 R'000	2019 R'000	**2021 R'000**	2020 R'000	2019 R'000
Non-current assets	**383**	4	–	**–**	–	–	**–**	–	–	**2 197 775**	2 156 516	2 131 738	**–**	–	–	**2 198 158**	2 156 520	2 131 738
Property, plant, equipment and righ of use assets	**–**	–	–	**–**	–	–	**–**	–	–	**209 163**	202 613	159 484	**–**	–	–	**209 163**	202 613	159 484
Leasing assets	**–**	–	–	**–**	–	–	**–**	–	–	**1 952 074**	1 915 596	1 910 803	**–**	–	–	**1 952 074**	1 915 596	1 910 803
Goodwill and other intangible assets	**–**	–	–	**–**	–	–	**–**	–	–	**543**	102	245	**–**	–	–	**543**	102	245
Loans due by group entities	**383**	4	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**383**	4	–
Deferred taxation	**–**	–	–	**–**	–	–	**–**	–	–	**35 995**	38 205	61 206	**–**	–	–	**35 995**	38 205	61 206
Current assets	**374**	2 286	11 776	**268 947**	238 947	289 143	**–**	–	–	**469 359**	751 800	803 940	**–**	–	–	**738 680**	993 033	1 104 859
Inventories	**–**	–	–	**–**	–		**–**	–	–	**453 647**	727 974	788 269	**–**	–	–	**453 647**	727 974	788 269
Trade and other receivables	**–**	–	–	**258 311**	235 053	278 711	**–**	–	–	**11 304**	11 186	15 663	**–**	–	–	**269 615**	246 239	294 374
Derivative financial instruments	**374**	2 286	11 776	**–**	–		**–**	–	–	**–**	–	–	**–**	–	–	**374**	2 286	11 776
Taxation receivable	**–**	–	–	**–**	–		**–**	–	–	**4 408**	12 640	8	**–**	–	–	**4 408**	12 640	8
Bank and cash balances	**–**	–	–	**10 636**	3 894	10 432	**–**	–	–	**–**	–	–	**–**	–	–	**10 636**	3 894	10 432
Total assets	**757**	2 290	11 776	**268 947**	238 947	289 143	**–**	–	–	**2 667 134**	2 908 316	2 935 678	**–**	–	–	**2 936 838**	3 149 553	3 236 597

	Financial assets at fair value through profit and loss*			Loans and receivables at amortised cost			Financial liabilities at amortised cost			Non-financial instruments			Equity			Total		
	2021	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019
	R'000	R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Capital and reserves	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–		**697 545**	635 321	647 905	**697 545**	635 321	647 905
Stated capital	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–		**39 327**	39 327	39 327	**39 327**	39 327	39 327
Other reserves	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–		**–**	–	5 074	**–**	–	5 074
Accumulated profits	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–		**658 218**	595 994	603 504	**658 218**	595 994	603 504
Non-current liabilities	**–**	–	–	**–**	–	–	**1 341 844**	29 497	1 102	**164 604**	163 741	158 988	**–**	–	–	**1 506 448**	193 238	160 090
Interest-bearing liabilities	**–**	–	–	**–**	–	–	**1 309 999**	–	–	**–**	–		**–**	–	–	**1 309 999**	–	–
Lease liabilities	**–**	–	–	**–**	–	–	**31 032**	29 497		**–**	–		**–**	–	–	**31 032**	29 497	–
Employee benefits	**–**	–	–	**–**	–	–	**813**	–	1 102	**–**	–		**–**	–	–	**813**	–	1 102
Deferred taxation	**–**	–	–	**–**	–	–	**–**	–		**164 604**	163 741	158 988	**–**	–	–	**164 604**	163 741	158 988
Current liabilities	**1 386**	23	–	**–**	–	–	**627 837**	2 254 999	2 326 899	**103 622**	65 972	101 703	**–**	–	–	**732 845**	2 320 994	2 428 602
Interest-bearing liabilities	**–**	–	–	**–**	–	–	**250 096**	–	–	**–**	–		**–**	–	–	**250 096**	–	–
Loans with group companies	**–**	–	–	**–**	–	–	**88 408**	1 954 101	1 849 224	**–**	–		**–**	–	–	**88 408**	1 954 101	1 849 224
Lease liabilities	**–**	–	–	**–**	–	–	**21 016**	16 188	–	**–**	–		**–**	–	–	**21 016**	16 188	–
Trade, other payables and provisions	**–**	–		**–**	–	–	**253 395**	279 333	461 211	**103 622**	65 972	93 822	**–**	–	–	**357 017**	345 305	555 033
Derivative financial liabilities	**1 386**	23	–	**–**	–	–	**–**	–		**–**	–		**–**	–	–	**1 386**	23	–
Taxation payable	**–**	–	–	**–**	–	–	**–**	–		**–**	–	7 881	**–**	–	–	**–**	–	7 881
Bank overdrafts	**–**	–	–	**–**	–	–	**14 922**	5 377	16 464	**–**	–		**–**	–	–	**14 922**	5 377	16 464
Total equity and liabilities	**1 386**	23	–	**–**	–	–	**1 969 681**	2 284 496	2 328 001	**268 226**	229 713	260 691	**697 545**	635 321	647 905	**2 936 838**	3 149 553	3 236 597

*Financial assets held at fair value through profit or loss measurement considerations have been detailed in note 10. Please refer for additional details.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000

29. **Financial risk management**

Interest rate risk management

The group held surplus cash at times throughout the year. The significance of this surplus cash to the group's statement of financial position exposes the group to interest rate risk.

This interest rate risk is managed through commercial banking facilities by the group's executive directors. At year-end, cash was invested with three large commercial banks. The investment of surplus funds is reviewed from time to time.

At year-end, borrowings were held with five large commercial banks. The group's interest rate profile consists of floating rate loans and bank balances which expose the group to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
Financial assets			
Financial assets which attract no interest	**258 311**	235 053	278 711
Loans and bank deposits which attract interest at South African money market rates	**10 636**	3 894	10 432
	268 947	238 947	289 143
Financial liabilities			
Financial liabilities which attract no interest	**255 594**	279 356	462 313
Borrowings which attract interest at prime rates/JIBAR rates	**1 663 425**	1 959 478	1 865 688
	1 919 019	2 238 834	2 328 001
Interest rate sensitivity analysis			
Financial assets			
Loans granted and bank deposits linked to South African money market rates			
Carrying value at statement of financial position date	**10 636**	3 894	10 432
Reasonable possible change in interest rate (%)	**1**	1	1
Pre-tax statement of comprehensive income impact	**106**	39	104
Financial liabilities			
Financing received and banking facilities linked to South African prime rates/JIBAR rates			
Carrying value at statement of financial position date	**1 919 019**	2 238 834	2 328 001
Reasonable possible change in interest rate (%)	**1**	1	1
Pre-tax statement of comprehensive income impact	**19 190**	22 388	23 280

Credit risk management

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the group.

A customer is considered to be in default when the amount based on customer credit terms is due but is unpaid. The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Trade accounts receivable consist of a large widespread customer base. Group companies regularly monitor the financial position of their customers. The granting of credit is controlled by application and account limits.

The group's cash and cash equivalents and short-term deposits are placed with major banks with strong credit ratings.

The carrying amounts of financial assets included in the consolidated statement of financial position represent the group's maximum exposure to credit risk in relation to these assets.

Financial assets that are past due but not impaired relate mainly to a number of customers for whom there is no recent history of default and default is not expected in the foreseeable future.

In 2020 COVID-19 related lockdown restrictions imposed negatively impacted the cash flow generation of many customers and increased the credit risk with additional expected credit losses being raised in the prior year. In the current year the cash flow generation of many customers has stabilised resulting in a reduction of expected credit losses in the current year.

Performing financial assets	206 621	180 710
Financial assets that are non-performing/in default		
Non-performing /doubtful	28 506	26 296
In default	25 131	15 183
	53 637	41 479
Financial assets that are impaired		
Carrying amount	22 764	34 786
Allowance for impairment	(14 075)	(18 028)
	8 689	16 758
Total credit exposure	268 947	238 947

The group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past due amounts	Life-time ECL
Non-performing	Amount is more than 30 days past due and/or there has been a significant increase in credit risk since initial recognition	Life-time ECL
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit impaired	Life-time ECL
Fully impaired	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the group's financial assets as well as maximum exposure to credit risk:

Receivables	**Expecting loss model**	**Gross amount**	**Loss allowance**	**Net carrying amount**
Trade and other receivables – August 2021	Lifetime ECL simplified approach	264 102	(14 075)	250 027
Trade and other receivables – August 2020	Lifetime ECL simplified approach	248 375	(18 028)	230 347

To mitigate credit risk the group holds collateral and has credit insurance on certain trade receivables. For trade receivables the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit losses. The group determines the expected losses on these assets by using a provision matrix, estimated based on historical credit loss experience based on past due status of the financial assets, adjusted as appropriate to reflect current condition and estimates of future economic conditions. The expected credit loss based on past due status in terms of the provision matrix is detailed below.

	Total	Current	30 Days	60 Days	90 Days	120 Days	150 Days or more
31 August 2021							
Expected credit loss rate		0,0%	0,0%	0,0%	23,1%	76,9%	0,0%
Total trade receivable balance	264 102	140 530	74 675	22 992	14 876	11 029	–
Total provision raised	(14 075)	–	–	–	(3 248)	(10 827)	–
Net balance	250 027	140 530	74 675	22 992	11 628	202	–
31 August 2020							
Expected credit loss rate		0,0%	0,0%	0,0%	21,4%	78,6%	0,0%
Total trade receivable balance	248 375	141 107	62 762	21 450	6 922	16 134	–
Total provision raised	(18 028)	–	–	–	(3 858)	(14 170)	–
Net balance	230 347	141 107	62 762	21 450	3 064	1 964	–

Liquidity risk management

Liquidity risk is the risk that the group will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.

In addition, cash forecasts are monitored so that the cash needs of the group are managed according to its requirements.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the groups' short, medium and long-term funding, including derivative financial instruments.

The following tables detail the group's remaining contractual maturity for its financial liabilities based on the expected repayment profile.

The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the group can be expected to pay. The group has adequate commitment facilities to meet the liquidity needs.

The tables include both interest and principal cash flows (contractual cash flows).

		Contractual cash flows			
	Carrying amount R'000	Within one year R'000	Two to five years R'000	Longer than five years R'000	Total R'000
31 August 2021					
Interest-bearing liabilities	1 560 095	361 727	1 570 472	–	1 932 199
Loan due to group companies	88 408	–	88 408	–	
Lease liabilities	52 048	24 067	34 221	–	58 288
Trade and other payables	357 017	357 017	–	–	357 017
Bank overdraft	14 922	14 922	–		14 922
	2 072 490	757 733	1 693 101	–	2 362 426

		Contractual cash flows			
	Carrying amount R'000	Within one year R'000	Two to five years R'000	Longer than five years R'000	Total R'000
31 August 2020					
Loan due to group companies	1 954 101	–	2 127 430	–	2 127 430
Lease liabilities	45 685	19 074	32 437	–	51 511
Trade, other payables and provisions	345 305	345 305	–	–	345 305
Bank overdraft	5 377	5 377	–	–	5 377
	2 350 468	369 756	2 159 867	–	2 529 623
31 August 2019					
Loan due to group companies	1 849 224	–	2 032 297	–	2 032 297
Trade, other payables and provisions	555 033	555 033	–	–	555 033
Bank overdraft	16 464	16 464	–	–	16 464
	2 420 721	571 497	2 032 297	–	2 603 794

Foreign exchange currency risk

EIE Group is exposed to foreign exchange risk. This risk is managed by covering material inventory orders with foreign exchange contracts.

EIE Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, the Euro, the Yen and GBP. Foreign exchange risk arises from exposure in the operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the group are managed using forward exchange contracts.

The following significant exchange rates applied during the year:

	Average rate			Spot rate at year end		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**
Rand: GBP	20,43	20,41	18,38	19,98	22,66	18,49
Rand: US Dollar	15,02	16,08	14,32	14,52	16,95	15,20
Rand: Euro	17,95	17,91	16,24	17,15	20,25	16,70
Yen: Rand	7,16	6,78	7,71	7,58	6,25	6,99
Foreign exchange sensitivity analysis						
Financial liabilities						
Net trade payables exposed to foreign currency risk						
Carrying value of liability at statement of financial position date (R'000)	(35 544)	(113 002)	(26 996)			
Reasonable possible change in exchange rates (%)	10	10	10			
Pre-tax statement of comprehensive income gain (R'000)	(3 554)	(11 300)	(2 700)			

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure.

The group defines capital as equity funding provided by shareholders and debt funding from external parties.

Shareholder funding comprises permanent paid up capital, revenue reserves and other reserves, being revaluation reserves (if any) and foreign currency translation reserves together with loans from shareholders. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The board of directors monitors the cost of capital, which the group defines as the weighted average cost of capital, taking into account the group's internally calculated cost of equity and long-term cost of debt assumptions. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position.

The group's debt capacity and optimal gearing levels are determined by its cash flow profile and are measured through applicable ratios such as net debt to EBITDA and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

There were no changes in the group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
30. **Related party information**			
Fellow subsidiaries are considered to be related parties. During the period the company, in the ordinary course of business, entered into sale and purchase transactions with related parties.			
These transactions occurred under terms that are no less favourable than those arranged with third parties and can be substantiated.			
Related party balances			
Amounts due by (to) group companies – Refer note 6			
Amounts included in trade and other receivables relating to group companies			
enX Corporation Limited	**107**	4	16
Amasondo Proprietary Limited	**17**	214	–
New Way Power Proprietary Limited	**5**	–	–
Centlube Proprietary Limited	**–**	164	157
African Group Lubricants Proprietary Limited	**192**	109	–
	321	490	173
Amounts included in trade and other payables relating to group companies			
enX Corporation Limited	**(141)**	(143)	(3 716)
enX Leasing Propriety limited	**–**	(13)	–
African Group Lubricants Proprietary Limited	**(1 842)**	(1 318)	(1 745)
	(1 983)	(1 474)	(5 461)
Revenue (group companies)			
Centlube Proprietary Limited	**550**	514	586
Amasondo Fleet Services Proprietary Limited	**1 897**	1 565	1 542
	2 447	2 079	2 128

	Audited 2021 R'000	Reviewed 2020 R'000	Reviewed 2019 R'000
Management fees (paid) from related parties			
enX Corporation Limited	**–**	–	(22 646)
enX Leasing Propriety limited	**(20 804)**	(23 891)	–
	(20 804)	(23 891)	(22 646)
Interest received (paid) (group companies)			
enX Corporation Limited	**(38 688)**	(169 953)	(167 407)
	(38 688)	(169 953)	(167 407)

31. Director and prescribed officer emoluments

Directors of enX Group Limited

Directors' emoluments, including direct and indirect benefits for the period ending 31 August 2021 are as follows:

Directors	Salary R'000	Incentives R'000	Settlement/ exit bonus R'000	Other benefits R'000	Total R'000
2021					
Paid by enX and subsidiaries					
Executive directors					
G Neubert (a)	**4 099**	**1 755**	**7 800**	**667**	**14 321**
R Lumb	**2 700**	**2 640**	**–**	**600**	**5 940**
O Mabandla (b)	**750**	**–**	**–**	**–**	**750**
B Hean	**3 226**	**3 283**		**745**	**7 254**
A Ramdhani	**1 188**	**–**	**–**	**214**	**1 402**
C Malherbe	**1 115**	**–**	**2 228**	**199**	**3 542**
	13 078	**7 678**	**10 028**	**2 425**	**33 209**

(a) Resigned effective 31 July 2021
(b) Appointed as an CEO effective 2 June 2021

Directors	Salary R'000	Incentives R'000	Settlement/ exit bonus R'000	Other benefits R'000	Total R'000
2020					
Paid by enX and subsidiaries					
Executive directors					
J Friedman (a)	1 630	–	–	–	1 630
R Lumb (b)	1 353	–	–	296	1 649
G Neubert	4 575	4 049		3 343	11 967
A Ramdhani	977	243		337	1 557
C Malherbe	1 153	416		406	1 975
	9 688	4 708	–	4 382	18 778

(a) Resigned effective 31 March 2020
(b) Appointed effective 1 March 2020

Directors	Salary R'000	Incentives R'000	Settlement/ exit bonus R'000	Other benefits R'000	Total R'000
2019					
Paid by enX and subsidiaries					
Executive directors					
G Neubert	3 323	3983	–	824	8 130
S F Tshifularo	1 890	1 727	–	517	4 134
L Taylor	1 024	942	–	315	2 281
L Moller	724	–	–	177	901
	6 961	6 652	–	1 833	15 446

32. **Employee benefits**

Management participation in share-related incentive plan

In order to align the interests of management with those of shareholders, share-related incentives were awarded to certain key members of the management team during the year. These incentives entitle the recipients to a cash settlement upon vesting, the quantum of which is to be referenced off any appreciation in the company's share price in excess of the strike price over the period between the commencement date and the determination date in respect of a notional holding of enX shares. These share-related incentives were granted at various strike prices and vesting dates. The 2018 incentive scheme vests after 3 years from issuance, allowing participants an additional 2 years to exercise from vesting date. The 2019 incentive scheme vests after 3 years from issuance, allowing participants an additional 1 years to exercise from vesting date.

Share appreciation rights (SAR) schemes

	Date of issue	Period to expire from date of issue	IFRS 2 classification
enX Group Limited	December 2019	2 years	Cash settled
enX Group Limited	June 2018	3 years	Cash settled

	2019 scheme	2018 scheme
Expected volatility (%)	28,84	28,84
Expected dividend yield (%)	–	–
Expected forfeiture rate (%)	–	–
Exercise price of share appreciation rights	R 12,00	12,34

	Audited Valuation 2021 R'000	Reviewed Valuation 2020 R'000	Reviewed Valuation 2019 R'000
IFRS 2 share-related incentive valuation			
Balance at the beginning of the year	–	1 102	–
Charge/(credit) recognised during the year	813	(1 102)	1 102
Balance at the end of the year	813	–	1 102
Disclosed as:			
Non-current financial liabilities	813	–	1 102
	813	–	1 102

Share-related incentives are valued using the Black-Scholes model. The 30-day volume weighted average price ("VWAP") of the enX share as at 31 August 2021 and a risk-free rate of 4.87% (2020:3.55% and 2019:6.56%) were used to value the share incentive at year-end.

The share-related incentive is a level 2 fair value item in terms of fair value hierarchy. There were no transfers between level 1 and level 2 of the fair value hierarchy.

The expected volatility was determined using volatility of enX since in 1 September 2015. In October 2017 enX unbundled its investment in eXtract resulting in a corporate restructure of R1,51 issue price adjustment of prior issuances.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of enX and the probability of meeting the non-market vesting conditions relating to profitability targets over the vesting period at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

33. **Going concern**

Funding and liquidity

Liquidity in EIE Group has been resilient during the year. It is testament to the ability of our businesses to scale back capital expenditures, reduce orders, collect debtors and drawdown on inventory levels to release cash.

Based on our assessment of the prospects and cash flows for EIE Group as at the date of signing we believe that credit facilities provide sufficient liquidity for the businesses to continue trading.

34. **Post-reporting date events**

DIVESTMENT OF ENX'S SOUTHERN AFRICAN MATERIALS HANDLING BUSINESS

Introduction

Shareholders were advised, as per the SENS release on 30 September 2021, that enX has agreed binding heads of terms with CFAO Holdings South Africa Proprietary Limited ("CFAO South Africa") in relation to the divestment of EIE Group Proprietary Limited ("EIE Group") ("the proposed transaction") for an aggregate consideration of R700 million (the "base subscription price").

Description of EIE SA and CFAO South Africa

EIE Group provides distribution, rental and value add services for industrial and material handling equipment in South Africa and other African countries through a network of independent dealers. EIE Group is the market leader in materials handling and the sole distributor of Toyota Forklifts, BT warehousing equipment, Konecranes heavy duty forklifts and container handling equipment, Terberg Terminal Tractors, Hawker batteries and chargers and Hako industrial cleaning equipment in South Africa.

CFAO South Africa group, delivers a range of integrated mobility solutions across the automotive value chain contributing towards the support, development and growth of the automotive industry in South Africa, and across the rest of Africa.

Rationale and use of proceeds

The transaction represents an attractive opportunity for the Company to monetise its investment in EIE Group at a valuation that in the view of the board of directors of enX, fairly reflects the future prospects and cash flows of EIE Group. CFAO South Africa group, being part of the TTC group of companies, being the exclusive supplier of Toyota forklift for EIE Group, is a natural fit as owner of EIE Group and whom the directors are of the view will prove to be a sound custodian of the EIE Group business. Furthermore, the board considers that proceeding with the proposed transaction with CFAO South Africa reduces the implementation risk of the transaction.

The Board is in the process of considering the optimal application of the cash proceeds arising from the proposed transaction.

Structure and certain terms of the proposed transaction

The proposed transaction will be implemented by way of a subscription for ordinary shares by CFAO South Africa and a repurchase by EIE Group of all the shares in EIE Group. The base subscription price is subject to typical leakage adjustments between 31 December 2020 and the subscription date, such amount being the final subscription price.

enX has undertaken not to compete with the business carried on by the target companies for a period of three years from the subscription date in any territory in which the target companies operate however enX companies including Eqstra Logistics and Fleet Management and certain other enX companies have been carved out of this provision and are not deemed to constitute a competing business.

The proposed transaction is subject to warranties, representations and indemnities ("WR&I") that are customary for transactions of this nature. enX will be liable for the WR&I for periods of either 30 or 60 months after closing. The WR&I will be secured by the Guarantee (as defined paragraph 5 below).

Conditions precedent

The implementation of the proposed transaction remains subject to the fulfilment and/or waiver of the following conditions precedent, as the case may be, by no later than 31 May 2022 (the "longstop date"):

– the internal restructure being implemented to the satisfaction of CFAO South Africa;
– enX shareholders approving the proposed transaction as required in terms of the Companies Act, 2008, the listing requirements of the JSE and the memorandum of incorporation of enX;
– all requisite regulatory approvals for the implementation of the proposed transaction having been obtained from all requisite Competition Authorities and the JSE;
– approval of the internal restructure and disposal by the target companies' bankers and funders;
– the conclusion of a share repurchase agreement between enX and EIE Group;
– certain material third party consents being obtained;
– the conclusion of a transitional services agreement between CFAO South Africa and the target companies for a period of up to 12 months;
– the provision of an on-demand bank guarantee in a form acceptable to CFAO South Africa in favour of CFAO South Africa and/or EIE Group as security for the obligations of enX ("Guarantee"), for an amount equal to 20% of the base subscription price, which Guarantee shall be in place for a period of 2 years from the subscription date; and
– no material adverse event having occurred between the date of signature of the subscription agreement and the subscription date. A material adverse event shall exclude:
– an event, fact or circumstance which has or is reasonably likely to have, individually or in the aggregate, an adverse impact of less than 30% on the annual net profits after tax of the EIE Group;
– any failure, in and of itself, by the EIE Groupto meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been, or is reasonably expected to be, a material adverse effect, to the extent permitted by the definition); or
– any consequence directly related to COVID-19 pandemic.

enX has the unilateral right to extend the longstop date by up to 90 days (for no more than two occasions) provided the only suspensive conditions outstanding are those in respect of regulatory approvals.

Apart from the above, there have been no other material events subsequent to year-end.