BELL EQUIPMENT LIMITED
REG. NO. 1968/013656/06

AUDITED ANNUAL FINANCIAL STATEMENTS
31 December 2024

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ANNUAL FINANCIAL STATEMENTS
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The preparation of these separate annual financial statements was supervised by KJ Van Haght CA(SA), and have been audited in accordance with the applicable requirements of the Companies Act of South Africa.

Directors:

AJ Bell - Executive director - appointed group chief executive with effect from 1 January 2024
GW Bell - Non-executive chairman
M Geyer - Independent non-executive director
A Goordeen - Alternate director
DH Lawrance - Independent non-executive director
U Maharaj - Independent non-executive director
R Naidu - Independent non-executive director
ME Ramathe - Independent non-executive director
HR van der Merwe - Lead independent non-executive director
KJ van Haght - Group finance director

COMPANY SECRETARY: D McIlrath

Business address: 13-19 Carbonode Cell, Alton, Richards Bay, 3900.

Postal address: Private Bag X20046, Empangeni, 3880.

Publication date: 28 March 2025

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of Bell Equipment Limited are responsible for the integrity of the separate annual financial statements of the company.

In order to fulfil this responsibility, the company maintains internal accounting and administrative control systems and procedures designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the company's policies and procedures.

The separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in accordance with the requirements of the Companies Act of South Africa, and have been examined by independent auditors in conformity with International Standards on Auditing. The group annual financial statements have been published on the company's website www.bellir.co.za and should be read in conjunction with this company set.

The audit committee reviewed management's assessment of the going concern status of the company at year-end and for the foreseeable future. The audit committee concurred with management's assessment that the company is a going concern and recommended the adoption of the going concern concept by the company to the board.

The separate annual financial statements, which appear on pages 8 to 35 were approved by the Board of Directors on 28 March 2025 and are signed on its behalf by:

Ashley Bell
Chief Executive
28 March 2025

KJ van Haght
Finance Director

CERTIFICATION BY THE COMPANY SECRETARY

I certify that the company has, in respect of the financial year reported on, lodged with the Companies and Intellectual Property Commission (CIPC) all returns and notices required of a public company and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

D McIlrath
Company Secretary
28 March 2025

Independent auditor's report

To the shareholders of Bell Equipment Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Bell Equipment Limited (the Company) as at 31 December 2024, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Bell Equipment Limited's separate financial statements set out on pages 15 to 35 comprise:

- the separate statement of financial position as at 31 December 2024;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview

Final materiality	R39,100,000 which represents 1% of total assets.
Key audit matters	We have determined that there are no key audit matters to communicate in our report on the separate financial statements.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the separate financial statements as a whole.

	Separate financial statements
Final materiality	R39,100,000
How we determined it	1% of total assets.

	Separate financial statements
Rationale for the materiality benchmark applied	Total assets has been used as a benchmark as Bell Equipment Limited parent company operates primarily as a holding company.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Bell Equipment Limited Audited Annual Financial Statements for the year ended 31 December 2024" and the document titled "Bell Equipment Limited Consolidated Audited Annual Financial Statements 31 December 2024", which include(s) the Directors' report, the Audit committee report and the Certification by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Bell Equipment Limited Integrated Annual Report 2024", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the separate financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Bell Equipment Limited for one year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: PdP Vermeulen
Registered Auditor
Johannesburg, South Africa
28 March 2025

The directors submit the separate annual financial statements for Bell Equipment Limited for the year ended 31 December 2024.

NATURE OF BUSINESS

The company is an investment holding entity. It holds investments in companies in the Bell Equipment group.

Bell Equipment designs and manufactures a wide range of products. This includes a complete range of Bell forestry and agriculture products. It is recognised as a global ADT specialist with the largest and most advanced range in the world.

FINANCIAL RESULTS

The results of the company are fully disclosed in the accompanying financial statements and notes thereon and in the finance director's report and the joint chairman and chief executive's report which will appear in the integrated annual report when distributed.

The annual financial statements of the company have been approved by the board.

SUBSIDIARY COMPANIES

Details of the company's interests in its subsidiary companies appear in note 5 to these annual financial statements.

STATED CAPITAL

The company's authorised share capital remains at 100 000 000 ordinary shares of no par value. The stated capital account as at 31 December 2024 comprised 95 629 385 (December 2023: 95 629 385) ordinary shares of no par value, with 32 233 treasury shares in the name of the subsidiary, Bell Equipment Group Services Proprietary Limited.

DIVIDENDS

The directors have resolved to declare a final gross cash dividend of 160 cents per share for the 2024 financial year (2023: nil cents).

The final dividend number 19 is 160 cents per share. The net final dividend is 128 cents per share for ordinary shareholders who are subject to the 20% dividend withholding tax.

Dividend declared	Friday, 28 March 2025
Last day to trade cum dividend	Monday, 14 April 2025
Shares trade ex dividend	Tuesday, 15 April 2025
Record date	Thursday, 17 April 2025
Payment date	Tuesday, 22 April 2025

The directors concluded that the company would be both solvent and liquid subsequent to such dividend distributions.

INCENTIVE SCHEMES FOR EMPLOYEES

Information relating to the incentive scheme is set out in note 19 to the annual financial statements.

DIRECTORS AND COMPANY SECRETARY

The names of the directors in office at the date of this report are:

Independent non-executive directors

Hennie van der Merwe (lead independent non-executive director)
Derek Lawrance
Rajendran Naidu
Mamokete Ramathe
Ushadevi Maharaj
Markus Geyer

Non-executive director

Gary Bell (chairman)

Executive directors

Ashley Bell (chief executive)
Karen van Haght (chief financial officer)
Avishkar Goordeen (alternative executive director to Ashley Bell)

Rajendran Naidu, Mamokete Ramathe and Markus Geyer retire by rotation at the forthcoming AGM but, being eligible, offered themselves for re-election and their re-election is recommended by the board.

The company secretary is Diana McIlrath. Her particulars and business address appear on page 104 of the Bell group's annual financial statements.

Further details of the directors and group executive committee (GEC) of the Bell Equipment group at the date of this report will appear in the leadership report of the integrated annual report when distributed.

DIRECTORS’ INTEREST IN SHARES

As at the end of the year under review the directors’ shareholdings were as follows:

	Number of shares held			
	Direct beneficial		Associates	
	2024	**2023**	**2024**	**2023**
GW Bell	-	253 600	23 701	109 660
AJ Bell	30	2 598	-	-
U Maharaj	-	608	-	283
L Goosen*	-	31 300	-	-

** L Goosen resigned as CEO and director with effect from 31 December 2023.*

There has been no change in the shareholding of directors as reflected above between the end of the financial year and the date of this report.

The remuneration paid to directors of the company during the period under review is set out in note 17 to the separate annual financial statements.

MAJOR SHAREHOLDER

The major shareholder in Bell Equipment Limited as at 31 December 2024 was:

	2024	**2023**
I A Bell & Company Proprietary Limited	70.10%	70.10%

GW Bell and AJ Bell are directors of I A Bell & Company Proprietary Limited and GW Bell holds a 24% shareholding in I A Bell & Company Proprietary Limited.

INTERNAL CONTROL

The board is accountable for the system of internal controls for the group. The output of the risk management process, in conjunction with the work of the assurance providers, indicates to the directors that the controls in place, including financial controls, are adequate and effective.

Furthermore, no material losses, exposures, financial misstatements or compliance breaches have been reported to the directors for the financial year.

The directors recognise that, at any point in time, there are areas for improvement in internal controls and new areas of risk exposure, which may require management attention. As such, there is a continual focus on ensuring that the control environment within each business area is understood and maintained at the required level and that process and control improvements are implemented where necessary.

LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Bell group's financial position.

GOING CONCERN STATEMENT

At the time of approving these annual financial statements, the board of directors is of the opinion that, after making enquiries, it has a reasonable expectation that the Bell group has sufficient resources to maintain its operational existence for the foreseeable future and therefore believes that the going concern assumption is appropriate.

SUBSEQUENT EVENTS

Shareholders are referred to note 16 of these annual financial statements.

No other facts or circumstances material to the appreciation of this report have occurred between 31 December 2024 and the date of this report.

CONCLUSION

The company is in compliance with the provisions of the Companies Act, specifically in relation to its incorporation and it is operating in conformity with its Memorandum of Incorporation (MOI).

Signed on behalf of the board

Ashley Bell	KJ van Haght
Chief executive	*Finance Director*
28 March 2025	

The audit committee ('the committee') is pleased to present its report for the financial year ended 31 December 2024. The committee carried out its statutory responsibilities in terms of section 94(7) of the Companies Act and the report is in compliance with the provisions of the Companies Act, the JSE Listings Requirements and King IV.

The committee conducted its work in accordance with its board approved charter that is in line with the Companies Act. The charter is reviewed annually and updated, where required.

COMPOSITION

The committee is constituted as a statutory committee and the members are elected at the AGM. It has an independent role with accountability to both the board and shareholders.

In terms of the Companies Act, at the AGM of the company, shareholders are required to elect the committee members. Four independent non-executive directors of Bell Equipment Limited were elected by shareholders at the 2024 AGM to serve until the next AGM in June 2025.

The committee was chaired by independent non-executive director Derek Lawrance, and comprised the chairman and three other independent non-executive directors, Mamokete Ramathe, Rajendran Naidu and Ushadevi Maharaj.

The chairman of the board, the chief executive and group finance director have a standing invitation to attend the meetings of the committee. The chairman of the board is however not a member of the committee. The group company secretary is the secretary of the committee.

The board is satisfied that for the 2024 year:

- the committee, acting as a collective, was adequately skilled to perform its role having regard to the size and circumstances of the company. The collective skills of the committee include an understanding of financial and sustainability reporting, internal financial controls, the internal audit function, the external audit process, corporate law, risk management, information technology (IT) governance as it relates to integrated reporting, and the governance processes of the company;
- individual members of the committee held appropriate financial and related qualifications, skills and financial expertise to discharge their responsibilities; and
- individual members of the committee were not involved in the day-to-day management of the company.

The following directors, whose profiles including their qualifications will appear in the integrated annual report when distributed, have been nominated to the committee, subject to shareholders election at the AGM to be held on Tuesday, 3 June 2025:

- Derek Lawrance
- Mamokete Ramathe
- Rajendran Naidu
- Ushadevi Maharaj

The board is satisfied that the proposed elections to the committee of the four independent non-executive directors set out above will meet the requirements of the Companies Act and is therefore recommending their election for the ensuing year.

FREQUENCY AND ATTENDANCE OF MEETINGS

During the year under review, three meetings were held. Meetings are scheduled to coincide with the key dates in the group's financial reporting and audit cycle.

Attendance by members was as follows:

AUDIT COMMITTEE	25 March 2024	4 September 2024	13 November 2024
Derek Lawrance (chairman)	✔	✔	✔
Mamokete Ramathe	✔	✔	✔
Rajendran Naidu	✔	✔	✔
Ushadevi Maharaj	✔	✔	✔

OBJECTIVE AND SCOPE

The committee's main objective is to assist the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditor.

COMBINED ASSURANCE

The committee is of the view that the arrangements in place for combined assurance are adequate and the model was applied to provide a coordinated approach to all assurance activities; and in particular ensuring that the combined assurance received is appropriate to address all the significant risks facing the group. The committee has monitored the relationship between the external assurance providers and the group.

Further information on the combined assurance process is provided in the corporate governance report under risk management which will appear in the corporate governance report in the integrated annual report when distributed.

The committee has considered the contents of the financial statements, the group's accounting practices, the internal financial controls of the group and the finance function of the group in general and found all of these to be in order.

EXTERNAL AUDIT

PricewaterhouseCoopers Inc. ("PWC") was nominated by the audit committee and approved by the board for appointment by shareholders as the new external auditor of Bell Equipment and its subsidiaries for the financial year commencing on 1 January 2024, with Mr. Pieter Vermeulen as the designated engagement partner. At the company's AGM on 31 May 2024, PWC was elected as the company's external auditor for the financial year commencing on 1 January 2024.

The committee assessed the suitability of the external auditor, and the designated engagement partner, as contemplated in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements. The assessment took into account the letter and the report received from PWC providing the information required in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements.

The committee gave due consideration to the independence of the external auditor, and the external auditor's independence was not prejudiced by any consultancy, advisory or other work undertaken. Audit and other services' fees are disclosed in note 28 of the Bell group's annual financial statements.

The committee has applied its mind to the key audit areas and considered the key audit matter identified by the external auditor as follows:
• Market capitalisation considerations relative to the recorded net asset value of the group – impairment of property, plant and equipment, right-of-use assets and intangible assets.

The committee is satisfied that this has been adequately addressed and disclosed.

The committee reviewed and approved the proposed audit fee for the 2024 financial year. The committee is satisfied that the external auditor does not, except as external auditor or in rendering permitted non audit services, receive any remuneration or other benefits from the company. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

The group's policy is to use its external auditors for non audit services where the use of other consultants would not make sound commercial sense and where the external auditor's independence will not be compromised, and where good corporate governance is not compromised by the engagement. There is a formal procedure that governs the pre approval process when the external auditor is considered for the provision of non audit services, and the allocation of such work is reviewed by the committee.

The external auditor has unrestricted access to the chairman of the committee. Meetings were held during the reporting period with the external auditor where management was not present, and no matters of concern were raised.

The committee received and reviewed reports from the external auditor concerning the effectiveness of the internal control environment, systems and processes and detailing the auditor's concerns arising out of the audit together with appropriate responses from management.

INTERNAL AUDIT

The committee oversaw the activities of the internal audit function, undertaken by Ernst & Young as the appointed internal auditor, and considered the effectiveness of internal audit, approved the internal audit charter and the annual internal audit plan, and monitored adherence to the plan. The committee has satisfied itself that the internal auditor reports functionally to the audit committee.

The internal auditor performed the role of considering and reporting to the committee on the effectiveness of the internal financial controls for financial reporting and risk management in support of the attestation by the group chief executive officer (CEO) and chief financial officer (CFO) required in terms of the provisions of the JSE Listings Requirements paragraph 3.84(k). The internal auditor tested and monitored the financial controls throughout the group in line with the JSE Listings Requirements. The statement by the group CEO and CFO in terms of JSE Listings Requirements paragraph 3.84(k) is set out on page 5 of the Bell group's annual financial statements.

The committee reviewed the reports of internal audit detailing findings arising out of its audits and responses from management. The committee received and reviewed reports from internal audit concerning the effectiveness of the internal control environment, systems and processes.

INTERNAL FINANCIAL CONTROL

The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management, and for considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto.

The CEO and CFO have reviewed the controls for financial reporting for the 2024 financial year and have presented their findings to the committee. During the current financial year, management evaluated relevant internal controls which address risk areas relating to financial reporting in group operations.

The CEO and CFO's evaluation of controls included:
- the identification and classification of risks;
- the identification of controls, including effective internal financial reporting controls, in a formalised internal controls framework which has been implemented throughout the group;
- the implementation of an internal controls self assessment tool and controls self assessments by managers;
- testing the design and determining the implementation of controls addressing high and low risk areas;
- utilising internal audit to test the operating effectiveness of controls addressing high risk areas; and
- obtaining control declarations from managers of group operations on the operating effectiveness of controls on an annual basis.

The committee is of the view, based on the representations made by internal audit, the CEO and the CFO that the group's internal controls were adequate and effective during the period under review and can be relied upon as a reasonable basis for the preparation of appropriate annual financial statements. The committee has discussed and documented the basis for its conclusion, and this included discussions with management, the external auditor and the internal auditor.

ACCOUNTING STANDARDS

The committee has considered all new standards, interpretations and amendments to standards in issue that still need to be adopted but are likely to affect the financial reporting in future years. The full impact of new standards which are effective for annual periods beginning on or after 1 January 2027 has not yet been assessed and assessments are planned for 2025. The committee is satisfied that amendments to standards are not expected to have a material impact on the financial statements of the group and company.

EXPERTISE AND EXPERIENCE OF THE GROUP FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed and has satisfied itself that the chief finance officer, Karen van Haght, has the appropriate skills, expertise and experience and confirms her suitability for serving as group finance director in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements. The committee further considers that the expertise, resources and experience of the finance function are appropriate based on the nature, complexity and size of the group's operations.

GOING CONCERN, ANNUAL FINANCIAL STATEMENTS AND INTEGRATED ANNUAL REPORT

The committee considered the Bell Equipment Limited consolidated and company financial statements for the year ended 31 December 2024.

The committee considered the report of the JSE's Financial Reporting Investigations Panel on its findings arising from the Panel's monitoring of the financial reports published by JSE listed companies and has taken appropriate action to apply the findings.

The committee has considered those items within the financial statements which required significant judgement as reflected in note 4 to the consolidated annual financial statements.

The committee reviewed management's assessment of the going concern status of the group at year end and for the foreseeable future. The committee concurred with management's assessment that the group is a going concern and recommended the assumption of the going concern basis to the board.

In the committee's opinion:

• the consolidated financial statements present fairly, in all material respects the consolidated financial position of the company and its subsidiaries as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act.

• the company financial statements fairly present, in all material respects the financial position of the company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act.

The committee fulfils an oversight role in respect of the preparation of Bell Equipment's integrated annual report. In conjunction with other board committees, the committee considered the non financial information disclosed in the integrated annual report. The committee is committed to ensuring the incorporation of the principles of King IV in the preparation of this year's integrated annual report.

The committee recommends the group's 2024 audited annual financial statements, the integrated annual report and the company financial statements, to the board for approval.

The chairman of the committee attends the annual general meeting and is available to answer any questions in relation to matters pertaining to the responsibilities of the committee.

CONCLUSION

The committee is satisfied that it has conducted its affairs and discharged its legal and other responsibilities as outlined in its charter, the Companies Act, JSE Listings Requirements and King IV and the board concurred with this assessment.

DH Lawrance
Chairman
Audit committee
28 March 2025

BELL EQUIPMENT LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Notes	2024 R000	2023 R000
ASSETS			
Non-current assets		3 794 110	3 354 027
Investments in subsidiary companies	5	1 767 195	1 767 195
Amounts owing by subsidiary companies	6	2 026 915	1 586 832
Current assets		116 094	155 153
Other receivables and prepayments		551	183
Amounts owing by subsidiary companies	6	115 543	154 970
Cash and bank balances		-	-
TOTAL ASSETS		3 910 204	3 509 180
EQUITY AND LIABILITIES			
Capital and reserves		3 889 087	3 479 621
Stated capital	7	235 901	235 541
BBBEE share-based payment reserve		82 316	82 316
Retained earnings		3 570 870	3 161 764
Current liabilities		21 117	29 559
Financial guarantees	8	19 231	26 088
Other payables	9	1 886	3 471
TOTAL EQUITY AND LIABILITIES		3 910 204	3 509 180

BELL EQUIPMENT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2024

	Notes	2024 R000	2023 R000
Revenue	10	420 840	84 032
Other operating income		1	9
Administration expenses		(17 827)	(14 525)
Change in fair value of financial guarantees	8	6 857	(11 831)
Profit from operating activities	11	409 871	57 685
Interest income	12	392	5
Profit before taxation		410 263	57 690
Taxation	13	(1 157)	(1 626)
Profit for the year		409 106	56 064
Other comprehensive income		-	-
Total comprehensive income for the year		409 106	56 064

BELL EQUIPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Stated capital R000	BBBEE share-based payment reserve R000	Retained earnings R000	Total R000
Balance at 1 January 2023	235 541	82 316	3 191 767	3 509 624
Total comprehensive income for the year	-	-	56 064	56 064
Dividends paid	-	-	(86 067)	(86 067)
Balance at 31 December 2023	235 541	82 316	3 161 764	3 479 621
Total comprehensive income for the year	-	-	409 106	409 106
Transfer of equity shares	360	-	-	360
Balance at 31 December 2024	235 901	82 316	3 570 870	3 889 087

BELL EQUIPMENT LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	2024 R000	Restated * 2023 R000
CASH FLOW GENERATED FROM OPERATING ACTIVITIES		
Profit from operating activities	409 871	57 685
Adjustments for:		
Dividends in specie	(348 765)	-
Change in fair value of financial guarantees	(6 857)	11 831
Cash generated from operations before working capital changes	54 249	69 516
Increase in other receivables and prepayments	(368)	(35)
(Decrease) increase in other payables	(1 585)	991
Cash generated from operations	52 296	70 472
Interest received	392	5
Preference share interest received	68 916	133 155
Taxation paid	(1 157)	(1 608)
Net cash generated from operating activities	120 447	202 024
CASH FLOW UTILISED IN INVESTING ACTIVITIES		
Loans advanced to subsidiary companies	(295 867)	(188 888)
Proceeds from preference share capital	175 060	72 931
Proceeds from transfer of equity shares	360	-
Net cash utilised in investing activities	(120 447)	(115 957)
CASH FLOW UTILISED IN FINANCING ACTIVITIES		
Dividends paid	-	(86 067)
Net cash utilised in financing activities	-	(86 067)
Net movement in cash for the year **	-	-
Net cash at beginning of the year **	-	-
Net cash at end of the year **	-	-

* Refer to restatements of prior period in note 21.

** The bank balance is swept to the company's subsidiary, Bell Equipment Group Services Proprietary Limited, on a daily basis.

1 **General information**

Bell Equipment Limited (the company) is a public company incorporated in South Africa. The addresses of its registered office and principal place of business are disclosed on page 1. The principal activities of the company are described in the directors' report under the heading nature of business.

2 **Accounting framework**

2.1 **Statement of compliance**

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

Basis of accounting

The material accounting policies adopted are set out below and in the related notes to the annual financial statements.
The financial statements have been prepared on the historical cost basis unless otherwise stated in the accounting policies.
The accounting policies are consistent with those applied to the previous year, except as reflected in notes 3.1.

Consolidated annual financial statements have been prepared at a Bell group level and have been separately issued. Bell Equipment Limited is the holding company of the Bell group.

2.2 **Principal accounting policies**

2.2.1 **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the 'functional currency'). The financial statements are presented in South African Rand, which is the company's functional and presentation currency, rounded to the nearest thousand.

Transactions and balances

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary balances denominated in foreign currencies are retranslated at the rates prevailing at that date.

Gains and losses arising on translation of foreign currency transactions are dealt with in profit or loss.

3 **Adoption of new and amended international financial reporting standards and interpretations**

In the current year the company has adopted all of the amended standards issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024.

3.1 **New and amended standards adopted**

During the current year, no new standards have been adopted but the company adopted certain amended standards which had no significant impact on the company's financial statements.

3.2 **Standards and amendments in issue not yet adopted**

At the date of authorisation of these financial statements, the following new and amended standards relevant to the company were in issue but not yet effective.

	Effective date for annual periods beginning on or after:
New	
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1 and introduces a defined structure for the statement of profit or loss, including subtotals, requiring entities to classify income and expenses into defined categories. The full impact of IFRS 18 has not yet been assessed and an assessment of the requirements of this standard is planned for the succeeding financial period. Management does not intend to early adopt this standard.

Amended	
IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability	1 January 2025

The amended accounting standard is not anticipated to have a significant impact on the annual financial statements in future periods when this is adopted.

4 **Significant accounting judgements and accounting estimates**

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments. These judgements made by management are described below:

a) Judgements in respect of the impairment of investments in subsidiary companies and amounts owing by subsidiary companies (refer to notes 5 and 6).
b) Judgements and estimates in respect of financial guarantee contracts (refer to note 8).

5 **Investments in subsidiary companies**

Accounting policy

The company's investment in subsidiary companies comprises of equity investments. The company accounts for investments in subsidiary companies at cost less accumulated impairment losses.

Investments in subsidiary companies are assessed annually for indicators of impairment. Impairments are assessed with reference to the projected profitability of the subsidiary companies. Where indicators of impairment exist, the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount of the investment, the carrying amount is reduced to its recoverable amount. Any impairment loss is recognised in profit or loss.

	2024 R000	2023 R000
Local subsidiaries		
Shares at cost	1 068 905	1 068 905
BBBEE share-based payment	82 316	82 316
Total local subsidiaries	1 151 221	1 151 221
Foreign subsidiaries		
Balance at end of the year	615 974	615 974
Total foreign subsidiaries	615 974	615 974
Total investments in subsidiary companies	1 767 195	1 767 195

Investments in subsidiary companies below are direct and indirect holdings.

	Effective holding % 2024	Effective holding % 2023
Local subsidiaries		
South Africa		
BECSA Holdings Limited (a)	100	100
Bell Equipment Company SA Proprietary Limited (BECSA) (a)	100	100
Bell Equipment Group Services Proprietary Limited (BEGS)	100	100
Bell Equipment Sales South Africa Limited (BESSA) (a)(b)	78	78
Bell Equipment SA Holdings Limited (BHL) (a)	100	100
K2017044733 (South Africa) (RF) Proprietary Limited (BESSA BEE SPV) (a)(b)	-	-
Bell Equipment Foundation Trust (BEF) (a)(b)	-	-
Bell Equipment Properties SA Proprietary Limited (BEPSA)	100	100
K2019577563 (South Africa) (RF) Proprietary Limited (BEE Manco) (a)	-	-
Foreign subsidiaries		
Other Africa		
Bell Equipment Company (Swaziland) (Proprietary) Limited	100	100
Bell Equipment Company (Zambia) Limited	100	100
Bell PTA (Private) Limited	100	100
Europe		
Bell Equipment International SA	100	100
Bell International Finance Limited *	100	100
Bell Euro Finance Limited *	100	100
Bell France SAS	100	100
Bell Equipment UK Limited	100	100
Bell Equipment (Deutschland) GmbH	100	100
Bell Equipment Russland LLC	100	100
United States of America		
Bell Equipment North America Inc.	100	100
Australasia		
Bell Equipment Australia Pty Limited	100	100

Except for K2017044733 (South Africa) (RF) Proprietary Limited, the Bell Equipment Foundation Trust and K2019577563 (South Africa) (RF) Proprietary Limited, the company's control is exercised directly by holding the majority of the voting rights of the ordinary shares in all its subsidiaries as indicated above. Refer to the company's assessment of control over the BESSA BEE SPV, BEF and BEE Manco in notes 5.1.1, 5.1.2 and 5.2.1.

(a) BBBEE ownership transaction concluded in 2019

During 2019 the company entered into a BBBEE transaction for BECSA and BESSA. Details of the transaction are disclosed in note 5.2.

(b) BBBEE ownership transaction concluded in 2017

During 2017 the company entered into a BBBEE ownership transaction for BESSA. In terms of this transaction, the BESSA BEE SPV and a broad based trust, Bell Equipment Foundation Trust, acquired 22,5% and 7,5% respectively of the issued share capital of BESSA. The structure is described in note 5.1.

* Dormant intra-group loan investment companies.

5 **Investments in subsidiary companies (continued)**

5.1 **BBBEE ownership transaction concluded in 2017 - BESSA**

5.1.1 **The BESSA BEE SPV (K2017044733 (South Africa) (RF) Proprietary Limited)**

The BESSA BEE SPV is 100% owned by the selected BBBEE partner through a company named Sibi Capital Proprietary Limited (Sibi). Sibi, whose ultimate shareholders are Sindisiwe Mabaso-Koyana and Bharti Harie, is 100% black women owned.

There is a lock-in period of 10 years during which the BESSA BEE SPV is precluded from carrying out certain activities without the prior written consent of the company. The BESSA BEE SPV may not during the lock-in period effect any transaction that will affect it's shareholding in BESSA or its BBBEE credentials through Sibi. Sibi is required to remain a black women owned entity and to maintain its BBBEE status at all times whilst a shareholder of the BESSA BEE SPV.

At the end of the 10 year period, the BESSA BEE SPV may sell its shares subject to pre-emptive rights in favour of the company. If the company does not elect to acquire such shares, the BESSA BEE SPV may transfer such shares to eligible third parties who have an equal or greater BBBEE status. The company also has a call option to acquire the BBBEE shareholders' shares in BESSA after 5 years or at any time if:
- the BBBEE legislation is amended with a retrospective adverse effect for the group;
- BESSA loses its BBBEE status as a 30% black women owned entity;
- an offer is made by a third party to acquire at least 30% of the shares in the company held by a single shareholder and its related parties.

The amount payable for the shares shall be the designated value as per the agreement less a 10% discount.

Control over the BESSA BEE SPV

The Bell group established this entity with the sole purpose to acquire and maintain BBBEE credentials for Bell Equipment Sales South Africa Limited (BESSA). The activities of this entity are predetermined and designed in such a way that any amendment to the mandate in terms of the Memorandum of Incorporation requires the company's approval. Even though all the ordinary shares in the entity are held by external shareholders, the BESSA BEE SPV cannot effect any transaction that affects its shareholding in BESSA and its BBBEE credentials without the written consent from the company. As such, management concludes that the Bell group has power over the BESSA BEE SPV and has the ability to direct and affect the variable returns from its involvement with the BESSA BEE SPV. The company therefore controls the BESSA BEE SPV. The entity is also a shareholder in the 2019 BEE transaction described in note 5.2 below.

5.1.2 **The broad based trust**

The broad based trust is known as the Bell Equipment Foundation (BEF) and the beneficiaries of the trust are black women. The objectives of the trust are to acquire and hold investments and to use trust income to support black women in South African communities by financially assisting them with their education or their businesses.

Control over the broad based trust

In terms of the trust deed, the company may at any time appoint or remove trustees. The company also directs the activities by determining the approved list of beneficiaries to whom distributions should be made by the trust in order to achieve the trust objectives. The decision making powers around the design and the purpose of the trust remains with the company. These activities allow the company to obtain variable returns from the BBBEE credentials in the trust. The company therefore controls the trust. The trust is also a shareholder in the 2019 BEE transaction described in note 5.2 below.

5.2 **BBBEE ownership transaction concluded in 2019 - BECSA and BESSA**

In 2019 another BBBEE transaction was concluded in terms of which the group’s manufacturing subsidiary, BECSA, and the group's sales and aftermarket support operation in South Africa, BESSA, both became 51% black people owned companies with effect from 1 January 2020.

The BEE shareholders in this BEE transaction are the following:
- key black executives in the group (through BEE Manco) (refer to note 5.2.1); and
- the existing BESSA BEE shareholders, BESSA BEE SPV, as well as BEF the beneficiaries of which are black women.

The BBBEE parties are required to sell their shareholding to the company at the end of the 10 year lock-in period in exchange for cash, shares in the company or another group entity or a combination of shares and cash, at the company's discretion. The BBBEE parties were effectively granted an option to acquire Bell shares.

5.2.1 **Structure of BEE shareholding**

A BEE management company (BEE Manco) was incorporated, the shareholders of which are BEE employees at management level of the group, being Avishkar Goordeen, Dominic Chinnappen, Sheetal Maharaj, Niraj Andhee and Bruce Ndlela * (the Managers) as well as BEF, the broad based trust.

Effective 51% black ownership in BECSA

BESSA BEE SPV, BEF and BEE Manco collectively hold 30% of the issued ordinary shares of BECSA Holdings, resulting in an effective 30% shareholding in BECSA. In addition, BEE Manco has an effective 21% shareholding in BECSA through its 30% shareholding in BHL.

Effective 51% black ownership in BESSA

BEE Manco has an effective 21% shareholding in BESSA through its 30% shareholding in BHL. In addition, BESSA BEE SPV and BEF collectively hold 30% of the issued ordinary shares in BESSA from the 2017 BEE transaction.

Control over BEE Manco (K2019577563 (South Africa) (RF) Proprietary Limited)

The Bell group established this entity with the sole purpose to acquire and maintain BBBEE credentials for BECSA and BESSA. BEE Manco is subject to a 10 year lock-in period during which the entity will be unable to sell shares held in the Bell group. The directors of BEE Manco have limited power to make decisions without the prior approval of the company. The company has power to direct the relevant activities of BEE Manco during the lock-in period. The company has the right to variable returns from its involvement with BEE Manco and has the ability to affect those returns through its power over BEE Manco. The company therefore controls BEE Manco.

* Bruce Ndlela resigned subsequent to year-end effective 31 January 2025.

6 **Amounts owing by subsidiary companies**

Accounting policy

Preference shares and loans to subsidiary companies, other than the preference shares held in BECSA Holdings Limited, are non-derivative financial assets that are not quoted in an active market and are recognised at amortised cost, less allowance for expected credit losses. The company's business objective is to collect the contractual cash flows from these financial assets. Cash flows that arise from these preference shares and loans to subsidiary companies are solely payments of principal and interest.

The preference shares held in BECSA Holdings Limited are measured at fair value through profit or loss. A minimum net value is guaranteed for the BECSA Holdings Limited ordinary shares. To ensure the minimum net value, the amount at which BECSA Holdings Limited will redeem the preference shares is the lower of:
(a) the face value plus coupon less redemption, or
(b) an amount guaranteed to give net value points (such that the BEE party has an unencumbered share in BECSA Holdings Limited at year nine).
The net value redemption amount per (b) above is an embedded derivative with the preference share being the host contract.

Impairment

At the end of the reporting period, the company determines if there is a significant increase in credit risk since initial recognition on the non-derivative amounts owing by subsidiary companies. Where credit risk has increased significantly since initial recognition the company assesses the asset for lifetime expected credit losses. Where there is no significant increase in credit risk since initial recognition, the company considers the probability of expected credit losses to be low and no impairment is made.

		2024	2023
6.1	Amounts owing by:	R000	R000
	Bell Equipment Company SA Proprietary Limited - loan (i)	702 054	75 563
	- Class A preference shares (ii)	57 142	57 142
	- Class B preference shares (ii)	799 940	799 940
	Bell Equipment Group Services Proprietary Limited (iii)	106 510	144 977
	Bell Equipment Company (Swaziland) (Proprietary) Limited (iv)	5 604	5 609
	K2017044733 (South Africa) (RF) Proprietary Limited	18	66
		1 671 268	1 083 297
	Less: current portion	(112 132)	(150 652)
	Long-term portion	1 559 136	932 645

(i) The amount owing relates to a non-interest-bearing loan. The loan is unsecured and has no fixed terms of repayment.

(ii) As part of the 2019 BEE Transaction, BECSA declared a dividend to the company which was used to subscribe for preference shares in BECSA. These preference shares are cumulative, redeemable, non-participating shares.

	Class A	Class B
Number of shares	6 667	93 333
Redeemable at the option of BECSA on or before	22 June 2030	22 June 2040
Coupon rate per annum after tax	Prime interest rate in South Africa	0% for first 10 years, thereafter prime interest rate in South Africa

(iii) The amount owing relates to intra-group funding and dividends, interest and bank guarantee fees swept to BEGS's bank account.
The loan is unsecured and has no fixed terms of repayment.

(iv) The amount owing relates to an interest-bearing loan which is unsecured and has no fixed terms of repayment.

		2024	2023
		R000	R000
6.2	Amounts owing by Bell Equipment Foundation Trust		
	Non-interest-bearing loan (current)	-	420
	The loan to Bell Equipment Foundation Trust has no interest and is repayable on demand.		
6.3	Amounts owing by Bell Equipment SA Holdings Limited (BHL)		
	Cumulative redeemable preference shares (v)		
	Balance at beginning of the year	90 876	97 241
	- preference shares	81 000	81 000
	- coupon accrued	9 876	16 241
	Movement during the year:		
	- coupon accrued	7 798	7 635
	- coupon repaid	(11 316)	(14 000)
	Balance at end of the year	87 358	90 876

(v) This relates to the BBBEE ownership transaction as described in note 5.2.
The preference shares are redeemable at the option of BHL on or before 31 December 2029. The coupon rate is based on the prime interest rate in South Africa plus 1.5% per annum after tax (2023: prime plus 1.5%).

		2024	2023
6.4	Amounts owing by BECSA Holdings Limited		
	Cumulative redeemable preference shares (vi)		
	Balance at beginning of the year	338 311	420 175
	- preference shares	327 069	350 000
	- coupon accrued	11 242	70 175
	Movement during the year:		
	- cumulative redeemable preference shares repaid	(145 060)	(22 931)
	- coupon accrued	26 618	32 619
	- coupon repaid	(34 448)	(91 552)
	Balance at end of the year	185 421	338 311
	Net preference share value	185 421	338 311
	Net value redemption amount	879 020	373 229
	Lower of net preference share value and net value redemption amount	185 421	338 311
	Fair value re-measurement through profit or loss	-	-

6 **Amounts owing by subsidiary companies (continued)**

6.4 **Amounts owing by BECSA Holdings Limited (continued)**

	2024	**2023**
	R000	**R000**

(vi) This relates to the BBBEE ownership transaction as described in note 5.2.
The preference shares are redeemable at the option of BECSA Holdings Limited on or before 31 December 2029.
The coupon rate is based on the prime interest rate in South Africa plus 1.5% per annum after tax (2023: prime plus 1.5%).

In the current year the designated amount in (a) above was lower than the guaranteed amount in (b) above, as determined by an independent valuator, and therefore no re-measurement (2023: Rnil) was required.

Key inputs into the fair valuation of the preference shares were the following:
- the valuation of the Richards Bay manufacturing entity (BECSA), a component of the OEM CGU, and the key inputs and assumptions relating to this valuation, as described in note 5 of the Bell Equipment Limited consolidated financial statements.
- the preference share terms as reflected in the MOI of the issuer of the preference shares.
- the BEE Codes in South Africa.

The sensitivity analysis below has been determined based on BECSA's WACC rate at the end of the reporting period.

A 130 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in the WACC rate:
- If the WACC rate had been 130 basis points higher then the net value redemption amount would have been R119,5 million lower. This has no impact on the carrying value of the preference share.
- If the WACC rate had been 130 basis points lower then the net value redemption amount would have been R152,0 million higher. This has no impact on the carrying value of the preference share.

6.5 Amounts owing by Bell Equipment Sales South Africa Limited

	2024	**2023**
Cumulative redeemable preference shares (vii)		
Balance at beginning of the year	228 898	279 369
- preference shares	225 000	275 000
- coupon accrued	3 898	4 369
Movement during the year:		
- cumulative redeemable preference shares repaid	(30 000)	(50 000)
- coupon accrued	22 665	27 132
- coupon repaid	(23 152)	(27 603)
Balance at end of the year	198 411	228 898
Less: current portion	(3 411)	(3 898)
Long-term portion	195 000	225 000

(vii) This relates to the BBBEE ownership transaction as described in note 5.1.
The preference shares are redeemable at the option of the company or by BESSA. The coupon rate is based on the prime interest rate in South Africa plus 3% per annum after tax. The average coupon rate for 2024 was 10.70% (2023: 10.52%) per annum.

	2024	**2023**
Total amounts owing by subsidiary companies	2 142 458	1 741 802
Less: current portion	(115 543)	(154 970)
Long-term portion of amounts owing by subsidiary companies	2 026 915	1 586 832

Related party balances are disclosed in note 15.

7 **Stated capital**

	2024	**2023**
	R000	**R000**
Authorised		
100 000 000 (2023: 100 000 000) ordinary shares of no par value		
Issued		
95 629 385 (2023: 95 629 385) ordinary shares of no par value	235 901	235 541

The increase in issued share capital relates to proceeds received for the transfer of 32 233 shares to BEGS.

8 **Financial guarantees**

Accounting policy

The company has issued guarantees to certain banks and suppliers for credit facilities granted to subsidiaries. Financial guarantee contracts are recognised as financial liabilities at fair value at the time the guarantees are issued. Subsequent to initial recognition the contracts are measured at the higher of:

• the amount determined in accordance with the expected credit loss (ECL) model under *IFRS 9 Financial Instruments* , measured on a one-year or lifetime basis, depending on the IFRS 9 stage of the loan; and

• the amount initially recognised at fair value less accumulated amortisation in terms of *IFRS 15 Revenue from Contracts with Customers* .

The company accounts for the fair value of the guarantee at the time of issue and any subsequent changes in the measurement of the guarantee in the statement of profit or loss.

	2024 R000	2023 R000
Balance at beginning of the year	26 088	14 257
Fair value adjustment (credited) charged to the statement of profit or loss and other comprehensive income	(6 857)	11 831
Balance at end of the year	19 231	26 088

Specialists were engaged to determine the fair values of the financial guarantee contracts.
The key inputs into the valuations performed were as follows:

1. Facility details, including the expected losses over the expected lives of the facilities.
2. Covenants in place.
3. Financial information of each borrower and guarantor to determine the credit rating and probability of default using Moody's RiskCalc.
4. A benchmark (Basel framework) credit conversion factor of 50% on revolving facilities.
5. For secured loss given defaults, the underlying asset values were considered, including the fair values of properties and haircuts typically applied to such collateral.
6. For all unsecured facilities, a loss given default of 35% was used. This was calculated using Basel assumptions and converting to a through-the-cycle LGD.
7. Drawn versus committed facilities - the total benefit was calculated at 50% of the total committed facilities.
8. All loans are classified in Stage 1 and therefore attract a 12-month ECL.
9. Expected losses are discounted at the effective interest rate to the reporting date.
10. In line with IFRS 13, non-performance risk has been allowed for in the calculation of the fair values.
11. In line with IFRS 9, the liability value has been calculated as the maximum between the amortised origination fair value and the IFRS 9 ECL at the reporting date.

The amount at which the financial guarantees are recognised is based on the probability that the entity will be called upon to honour the guarantees. The value of the financial guarantee liability was determined by calculating the fair value less accumulated amortisation and the expected credit loss of the respective borrowers over the term of the credit. The fair value of the guarantees is determined based on the difference in the present value of cash flows relating to the contractual payments required under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the guarantee obligations.

Refer to note 38 of the Bell Equipment Limited consolidated financial statements for the details of the guaranteed borrowings.

At 31 December 2024, in almost all instances the ECL was higher than the fair value less accumulated amortisation.

	Instrument value	Average 1 year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
	R000	%	%	%	%	R000
Instrument						
Fair value as at 31 December 2024 of financial guarantees based on 1 year						
The company has guaranteed obligations of subsidiaries related to the following:						
Banking and trade credit facilities	801 838	3.09%	30.69%	0.95%	2.40%	19 231
Total liability raised as at 31 December 2024						19 231
Total debit to the statement of profit or loss						(6 857)

	Instrument value	Average 1 year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
	R000	%	%	%	%	R000
Instrument						
Fair value as at 31 December 2023 of financial guarantees based on 1 year						
The company has guaranteed obligations of subsidiaries related to the following:						
Banking and trade credit facilities	2 168 814	2.26%	37.73%	0.85%	1.20%	26 088
Total liability raised as at 31 December 2023						26 088
Total debit to the statement of profit or loss						11 831

9 **Other payables**

Accounting policy

Other payables are classified as financial liabilities at amortised cost and are measured at amortised cost.

	2024	2023
	R000	R000
Other payables	1 886	3 471

Other payables include sundry creditors and expense accruals.

The directors consider that the carrying amount of other payables approximates their fair value.

10 **Revenue**

Accounting policy

The company recognises revenue in a way that depicts the transfer of services promised to its subsidiaries in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. The company recognises revenue when it has satisfied its performance obligation in terms of the contract with the subsidiary and when it transfers control of the service to the subsidiary.

Revenue recognition

The company recognises revenue from the following major sources from its subsidiaries:
- management fees
- bank guarantee fees
- dividends from equity investments
- interest income

10.1 **Management fees**

Management fees received are recognised as revenue as and when the administrative services have been rendered.

10.2 **Bank guarantee fees**

Bank guarantee fees are recognised as revenue when the services have been rendered.

10.3 **Dividends from equity investments**

Dividend income from investments is recognised as revenue when the company's right to receive payment has been established.

10.4 **Interest income**

Interest income is recognised using the effective interest method.

	2024	2023
	R000	R000
Revenue represents		
Management fees	3 000	3 000
Bank guarantee fees	6 619	7 249
Dividends from equity investments *	348 765	1 070
Interest income	62 456	72 713
Total revenue	420 840	84 032
Timing of revenue recognition from contracts with customers		
Over time		
Management fees	3 000	3 000
Bank guarantee fees	6 619	7 249
Total	9 619	10 249
Other revenue		
Dividends from equity investments **	348 765	1 070
Interest income **	62 456	72 713
Total revenue	420 840	84 032

* Dividends in specie which represent intra-group loan accounts ceded to the company by BEPSA and BEGS.

** In the current year the classification of dividends from equity investments and interest income was restated from revenue from contracts with customers to other revenue.

Related party transactions are disclosed in note 15.

	2024	2023
Dividends were declared to the company as follows:		
- Bell Equipment SA Holdings Limited	-	1 070
- Bell Equipment Properties SA Proprietary Limited	48 765	-
- Bell Equipment Group Services Proprietary Limited **	300 000	-
Total	348 765	1 070

11 **Profit from operating activities**

	2024	2023
	R000	R000
Profit from operating activities is arrived at after taking into account:		
Income		
Change in fair value of financial guarantees	6 857	-
Currency exchange gains	1	2
Expenditure		
Auditors' remuneration		
- audit fees - current	2 498	2 574
- audit fees - prior	-	366
Change in fair value of financial guarantees	-	11 831
Consulting fees	3 698	1 641
Currency exchange losses	22	-
Non-executive directors' fees	6 834	6 595

Details of remuneration paid to non-executive directors of the company are set out in note 17.

12 Interest income

	2024 R000	2023 R000
Interest income earned on the following:		
Johannesburg Stock Exchange (JSE)	377	-
The South African Revenue Service (SARS)	15	5
Total interest income	392	5

13 Taxation

Accounting policy

The taxation expense represents the sum of the taxation currently payable.

Current taxation

The current taxation is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. No deferred taxation has been recognised as the company has no taxable temporary differences. The company's current taxation is calculated using taxation rates that have been enacted or substantively enacted by the end of the reporting period. Current taxation is recognised in profit or loss.

	2024 R000	2023 R000
Taxation recognised in profit or loss		
South African normal taxation		
Current taxation - current year	1 397	1 612
- prior year	(392)	(140)
Withholding taxation	152	154
Total taxation charge recognised in profit or loss	1 157	1 626

	2024 %	2023 %
Reconciliation of rate of taxation		
Standard rate of taxation	27	27
Adjustment for:		
Exempt dividend income	(23)	(1)
Exempt accounting interest	(4)	(34)
Exempt change in fair value of financial guarantees	(1)	6
Disallowed expenses	1	5
Effective rate of taxation	-	3

14 **Financial instruments**

Financial assets

Financial assets carried on the statement of financial position are classified into the following category:

- financial assets at amortised cost; and
- financial assets at fair value through profit or loss.

Classification is determined by both the company's business model as well as the contractual cash flow characteristics of the asset. Financial assets carried on the statement of financial position include amounts owed by subsidiary companies. The company's business model for this category is disclosed in note 6.

Financial liabilities

Financial liabilities carried on the statement of financial position are classified into the following category:

- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include financial guarantees and other payables.

Offsetting financial instruments

Financial assets and liabilities are offset where the company has a legal and enforceable right to set off the recognised amounts and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

	2024	**2023**
	R000	**R000**
Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
- Amounts owing by subsidiary companies	1 957 037	1 403 491
Financial assets at fair value through profit or loss		
- Amounts owing by subsidiary companies *	185 421	338 311
Total financial assets	2 142 458	1 741 802
Financial liabilities		
Financial liabilities at amortised cost		
- Financial guarantees	19 231	26 088
- Other payables	357	1 321
Total financial liabilities	19 588	27 409

The directors consider that the carrying amount of financial assets and financial liabilities approximate their fair value.

* In the current year amounts owing by BECSA Holdings Limited were reclassified from financial assets at amortised cost to financial assets at fair value through profit or loss.

14 **Financial instruments (continued)**

Financial risk management

The company's approach to risk management includes being able to identify, describe and analyse risks at all levels, with mitigating actions being implemented at the appropriate point of activity. The overall risk strategy remains unchanged with emphasis on sustainability and liquidity.

In the normal course of its operations, the company is exposed to capital, liquidity, credit and market risks (foreign currency and interest rate risks).

The Bell group's treasury function provides services to the company, co-ordinates access to financial markets, monitors and manages the financial risks relating to operations of the company through internal risk reports which analyse exposures and the magnitude of risks.

14.1 **Capital risk management**

The company's overall strategy is to secure the long-term sustainability of the company. This is consistent with the prior year.

The capital structure of the company consists of all components of equity, comprising issued capital as disclosed in note 7, reserves and retained earnings.

14.2 **Liquidity risk**

The company manages liquidity risk by management of investments in and amounts owing by subsidiary companies.
In terms of the financial guarantees the maximum exposure relating to the amount that can be called upon has been set out in note 8 as the instrument value.

14.3 **Credit risk**

Credit risk consists mainly of indebtedness by subsidiaries and financial guarantees issued. The company's credit risk is regularly monitored by management.

The carrying amount of financial assets recorded in the financial statements, represents the company's maximum exposure to credit risk.

The directors consider that the carrying amount of amounts owing by subsidiary companies approximates their fair value.

In assessing the amounts owed by subsidiary companies for expected credit losses, the company considered the following:
- the terms of the BEE transactions described in notes 5.1 and 5.2 and specifically the provisions relating to the settlement of the preference share balances at the end of the lock-in periods.
- the valuations of BECSA, BESSA and BEGS as reflected in note 5 of the group's annual financial statements.
- a 12 month expected credit loss assessment on amounts owed by subsidiary companies.
- the underlying subsidiaries' credit risk, including whether any changes in credit risk occurred during the year and the availability of funding in subsidiaries to settle the loans if demanded.

Based on above assessment performed by management no deterioration in credit risk was identified and management is satisfied that sufficient resources are available to settle amounts owed by subsidiary companies and therefore it was concluded that the total allowance for expected credit losses was insignificant.

14.4 **Market risk**

The company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates.
There has been no change to the company's exposure to market risk or the manner in which it is managed.

14.4.1 **Currency risk**

The company undertakes certain transactions denominated in foreign currencies. As a result, the company is exposed to foreign currency risk due to exchange rate movements. The company is mainly exposed to the United States Dollar and the Euro.
During the current year, there was no significant foreign currency impact on the company's financial statements.
There were no foreign currency denominated monetary balances in the statement of financial position at year-end.

14.4.2 **Interest rate risk**

The company is exposed to floating interest rates through its coupon-bearing cumulative redeemable preference shares.
The company's interest rate profile of its coupon-bearing cumulative redeemable preference shares at 31 December 2024, is as follows:

	2024
Amounts owing by subsidiary companies - preference shares (R000)	528 332
Rate profile	Floating
% of total preference shares	100

	2023
Amounts owing by subsidiary companies - preference shares (R000)	715 227
Rate profile	Floating
% of total preference shares	100

The sensitivity analysis below has been determined based on the exposure to interest rates on the cumulative redeemable preference shares at the end of the reporting period.

A 100 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the company's:
- profit before taxation for the year ended 31 December 2024 would have increased by R4,6 million (2023: increase in profit before taxation R5,4 million)
- profit after taxation and equity would have increased for the year ended 31 December 2024 by R4,6 million (2023: increase in profit after taxation and equity R5,4 million)

For a 100 basis points decrease, there would have been an equal and opposite impact on the profit before taxation and profit after taxation.

15 **Related party transactions**

Accounting Policy

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties have been defined as shareholders, subsidiaries and key management personnel (directors and the company's executive committee) including close members of their families, and entities over which these individuals or their close family members have a controlling interest.

Related party transactions constitute the transfer of resources, services or obligations between the company and a party related to the company, regardless of whether a price is charged.

The company enters into various transactions with related parties. All transactions are carried out on an arms length basis on terms no more favourable than those entered into with third parties, with the exception of those transactions entered into with the BBBEE parties below.

Details of transactions between the company and related parties and balances at the year-end are detailed below:

	2024 R000	2023 R000
Subsidiaries		
Bell Equipment Company SA Proprietary Limited		
- coupon income on redeemable preference shares	4 874	4 760
- amounts owing by	702 054	75 563
- amounts owing by - preference shares	857 082	857 082
Bell Equipment Group Services Proprietary Limited		
- dividends received	300 000	-
- management fee received	3 000	3 000
- amounts owing by	106 510	144 977
Bell Equipment Sales South Africa Limited		
- coupon income on redeemable preference shares	22 665	27 132
- amounts owing by - preference shares	198 411	228 898
Bell Equipment Company (Swaziland) (Proprietary) Limited		
- interest received	501	567
- amounts owing by	5 604	5 609
Bell Equipment Foundation Trust		
- amounts owing by	-	420
Bell Equipment International SA		
- bank guarantee fee received	273	195
Bell International Finance Limited		
- bank guarantee fee received	-	79
Bell Euro Finance Limited		
- bank guarantee fee received	-	111
Bell Equipment (Deutschland) GmbH		
- bank guarantee fee received	5 844	6 330
Bell Equipment UK Limited		
- bank guarantee fee received	47	48
Bell Equipment Company (Zambia) Limited		
- bank guarantee fee received	455	486
BECSA Holdings Limited		
- coupon income on redeemable preference shares	26 618	32 619
- amounts owing by - preference shares	185 421	338 311
Bell Equipment SA Holdings Limited		
- coupon income on redeemable preference shares	7 798	7 635
- amounts owing by - preference shares	87 358	90 876
- dividend received	-	1 070
K2017044733 (South Africa) (RF) Proprietary Limited		
- amounts owing by	18	66
Bell Equipment Properties SA Proprietary Limited		
- dividend received	48 765	-

No amount was recognised in the current period for expected credit losses and no amounts have been written off as credit-impaired. There have been no defaults on payments in the past.

Compensation of key management personnel

The remuneration of executive and non-executive directors of the company is disclosed in note 17 and cash-settled share awards held by directors of the company are disclosed in note 18.

16 **Subsequent events**

A final gross cash dividend of 160 cents per ordinary share was declared by the board on 28 March 2025 for the year ended 31 December 2024.
The net final dividend is 128 cents per share for ordinary shareholders who are subject to the 20 percent dividend withholding tax.
The dividend will be paid on 22 April 2025. The issued share capital at the declaration date was 95 629 385 ordinary shares.

No other fact or circumstance material to the appreciation of this report has occurred between 31 December 2024 and the date of this report.

17 **Directors' remuneration**

Paid to executive directors of the company by the company's subsidiary:

Executive directors	Salary R000	Pension/ Provident fund R000	Incentive payment R000	Other benefits and allowances R000	2024 Total R000	2023 Total R000
AJ Bell (Appointed group chief executive with effect from 1 January 2024)	4 806	360	-	56	5 222	-
KJ van Haght	3 797	287	3 380	114	7 578	6 307
A Goordeen (alternate executive director)	3 138	241	3 363	153	6 895	6 191
L Goosen (resigned with effect from 31 December 2023)	-	-	-	-	-	11 404
Total	**11 741**	**888**	**6 743**	**323**	**19 695**	**23 902**

Other benefits and allowances comprise vehicle allowances, travel allowances and reimbursive allowances, annual leave encashments and the group's contributions to medical aid and life insurance.

Paid to non-executive directors of the company by the company:	2024 Fees Total R000	2023 Fees Total R000
Non-executive directors		
AJ Bell (appointed group chief executive officer with effect from 1 January 2024)	-	559
GW Bell	1 080	1 082
DH Lawrance	1 118	1 077
R Naidu	951	910
ME Ramathe	957	727
HR van der Merwe	1 414	1 278
U Maharaj	633	542
M Geyer	681	420
Total	**6 834**	**6 595**

18 **Share awards held by directors**

The following reconciles the number of phantom share awards held by directors of the company at the end of the year. Details of this cash-settled share award plan are disclosed in note 19.

		Number of awards									
Grant date 1 January	**Strike price**	**Balance at 31 December 2022**	**Granted**	**Vested - settled**	**Vested - expired**	**Forfeited**	**Balance at 31 December 2023**	**Granted**	**Vested - settled**	**Vested - expired**	**Balance at 31 December 2024**
AJ Bell (appointed group chief executive officer with effect from 1 January 2024)											
2024	41.75	-	-	-	-	-	-	176 000	-	-	176 000
	-	-	-	-	-	-	-	99 000	-	-	99 000
Total		**-**	**-**	**-**	**-**	**-**	**-**	**275 000**	**-**	**-**	**275 000**
KJ van Haght											
2018	13.53	44 000	-	(44 000)	-	-	-	-	-	-	-
	-	24 668	-	(24 668)	-	-	-	-	-	-	-
2019	12.68	88 000	-	(44 000)	-	-	44 000	-	(44 000)	-	-
	-	49 334	-	(24 666)	-	-	24 668	-	(24 668)	-	-
2020	8.88	132 000	-	(44 000)	-	-	88 000	-	(44 000)	-	44 000
	-	74 000	-	(12 333)	(12 333)	-	49 334	-	(12 334)	(12 334)	24 666
2021	6.52	132 000	-	-	-	-	132 000	-	(44 000)	-	88 000
	-	74 000	-	-	-	-	74 000	-	(24 668)	-	49 332
2022	12.43	132 000	-	-	-	-	132 000	-	-	-	132 000
	-	74 000	-	-	-	-	74 000	-	-	-	74 000
2023	14.88	-	303 000	-	-	-	303 000	-	-	-	303 000
	-	-	202 000	-	-	-	202 000	-	-	-	202 000
2024	41.75	-	-	-	-	-	-	141 000	-	-	141 000
	-	-	-	-	-	-	-	79 000	-	-	79 000
Total		**824 002**	**505 000**	**(193 667)**	**(12 333)**	**-**	**1 123 002**	**220 000**	**(193 670)**	**(12 334)**	**1 136 998**
A Goordeen											
2018	13.53	44 000	-	(44 000)	-	-	-	-	-	-	-
	-	24 668	-	(24 668)	-	-	-	-	-	-	-
2019	12.68	88 000	-	(44 000)	-	-	44 000	-	(44 000)	-	-
	-	49 334	-	(24 666)	-	-	24 668	-	(24 668)	-	-
2020	8.88	132 000	-	(44 000)	-	-	88 000	-	(44 000)	-	44 000
	-	74 000	-	(12 333)	(12 333)	-	49 334	-	(12 334)	(12 334)	24 666
2021	6.52	132 000	-	-	-	-	132 000	-	(44 000)	-	88 000
	-	74 000	-	-	-	-	74 000	-	(24 668)	-	49 332
2022	12.43	132 000	-	-	-	-	132 000	-	-	-	132 000
	-	74 000	-	-	-	-	74 000	-	-	-	74 000
2023	14.88	-	303 000	-	-	-	303 000	-	-	-	303 000
	-	-	202 000	-	-	-	202 000	-	-	-	202 000
2024	41.75	-	-	-	-	-	-	107 000	-	-	107 000
	-	-	-	-	-	-	-	60 000	-	-	60 000
Total		**824 002**	**505 000**	**(193 667)**	**(12 333)**	**-**	**1 123 002**	**167 000**	**(193 670)**	**(12 334)**	**1 083 998**
L Goosen (resigned with effect from 31 December 2023)											
2018	13.53	82 338	-	(82 338)	-	-	-	-	-	-	-
	-	46 000	-	(46 000)	-	-	-	-	-	-	-
2019	12.68	164 669	-	(82 331)	-	-	82 338	-	(82 338)	-	-
	-	92 000	-	(46 000)	-	-	46 000	-	(46 000)	-	-
2020	8.88	247 000	-	(82 331)	-	(82 334)	82 335	-	(82 335)	-	-
	-	138 000	-	(23 000)	(23 000)	(46 000)	46 000	-	(23 000)	(23 000)	-
2021	6.52	247 000	-	-	-	(164 666)	82 334	-	(82 334)	-	-
	-	138 000	-	-	-	(92 000)	46 000	-	(46 000)	-	-
2022	12.43	247 000	-	-	-	(247 000)	-	-	-	-	-
	-	138 000	-	-	-	(138 000)	-	-	-	-	-
2023	14.88	-	489 000	-	-	(489 000)	-	-	-	-	-
	-	-	326 000	-	-	(326 000)	-	-	-	-	-
Total		**1 540 007**	**815 000**	**(362 000)**	**(23 000)**	**(1 585 000)**	**385 007**	**-**	**(362 007)**	**(23 000)**	**-**
GRAND TOTAL		**3 188 011**	**1 825 000**	**(749 334)**	**(47 666)**	**(1 585 000)**	**2 631 011**	**662 000**	**(749 347)**	**(47 668)**	**2 495 996**

19 **Cash-settled employee share award plan**

Accounting Policy

The Bell group recognises a liability for cash-settled share-based payments at fair value. The fair value of the liability is determined using an option pricing model and the liability is remeasured at each reporting date and at the date of settlement with any changes reflected in the Bell group's consolidated statement of profit or loss. Services received from employees are recognised by the group as they are rendered.

The estimation of the fair value of the cash-settled share-based payments includes the effect of market and non-market conditions. Vesting conditions, other than market conditions, are taken into account in the measurement of the liability by adjusting the number of awards that are expected to vest. This estimate is revised at each reporting date when the liability is remeasured until the vesting date.

The phantom share incentive scheme was implemented in 2018 and makes provision for long-term incentivisation of key executives of the Bell group in the structure of a share appreciation rights scheme. The object and purpose of the scheme is to grant forfeitable phantom share awards to key executives of the Bell group to enable them to benefit if the company’s share price improves and if the applicable performance criteria are achieved, so as to retain and motivate employees and increase the profitability of the company.

The number of awards granted to executives was determined with reference to market norms for long-term incentive schemes and a multiple of the annual salary packages of the participants.

Each award comprises of three equal tranches. The three tranches vest as follows:
- in respect of tranche 1, on the first trading day after expiry of a period of three years after the award date;
- in respect of tranche 2, on the first trading day after expiry of a period of four years after the award date;
- in respect of tranche 3, on the first trading day after expiry of a period of five years after the award date.

The awards held by participants comprise a mixture of zero-strike and strike based awards. HEPS and ROIC performance conditions are applicable to the zero-strike awards.
The HEPS performance conditions are as follows:
- in respect of awards granted in 2020 and 2021, the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year-end of the Bell group prior to the vesting date, must meet or exceed SA inflation plus 5%.
- in respect of awards granted in 2022 and 2023, the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year-end of the Bell group prior to the vesting date, must meet or exceed SA inflation plus 3%.
- in respect of awards granted in 2024, the performance scorecard reflected below applies:

Performance condition		**Weighting %**		**Targets**		
			Vesting %	**50%**	**75%**	**100%**
Type	**Metric**			**Threshold**	**On Target**	**Stretch**
Financial	HEPS	50%		CPI +1%	CPI +2%	CPI +3%
Financial	ROIC	50%		WACC	WACC +1%	WACC +2%
Total share units		100%				

The ROIC performance conditions are as follows:
- in respect of awards granted in 2020 and 2021, the annual ROIC hurdle is based on operational returns in excess of the cost of capital plus a margin.
- in respect of awards granted in 2022 and 2023, a minimum ROIC hurdle of 15% applies and the payout is based on a sliding scale of the rolling three year average ROIC as follows:

Rolling three year average ROIC	*Payout*
< 15%	0%
≥ 15% < 16%	78%
≥ 16% < 17%	89%
≥ 17% < 18%	100%
≥ 18% < 19%	111%
≥ 19% < 20%	122%

- in respect of awards granted in 2024, the performance scorecard reflected above applies.

Employees will acquire the cash equivalent of the difference between the strike price and the market value of shares upon realisation of their awards, subject to the performance conditions specified.

Awards are forfeited in certain circumstances, including on a participant ceasing to be an employee, for reasons other than incapacity, death or retirement at the pensionable age in terms of the rules of the pension and/or provident fund, when all the awards held by the participant, whether or not they have vested, will be deemed to have vested upon termination of employment and shall be settled within three months or in the case of death, within 12 months thereafter.

The total benefit paid to employees in respect of the scheme in any financial year shall not exceed 6% of the NPAT as reflected in the audited results of the Bell group, except in certain circumstances relating to mergers, takeovers and corporate action.

In the event of a change in control of the company which results in the retrenchment or other no fault termination, or a material adverse change in the conditions of employment of the participant then the vesting period in respect of any unvested phantom share units held by that participant will be advanced in accordance with the rules of the scheme.

Awards are subject to the group's malus and clawback policy.

19 **Cash-settled employee share award plan (continued)**

19.1 **Share awards granted**

The following awards were in existence during the reporting period:

	Phantom share units								
Grant date	**With a strike price**	**With a strike price of zero**	**Total**	**Vesting January 2025**	**Vesting January 2026**	**Vesting January 2027**	**Vesting January 2028**	**Vesting January 2029**	**Strike price of units with a strike price**
1 January 2020	191 330	107 662	298 992	298 992	-	-	-	-	R 8.88
1 January 2021	382 665	215 334	597 999	299 000	298 999	-	-	-	R 6.52
1 January 2022	760 000	428 000	1 188 000	396 000	396 000	396 000	-	-	R 12.43
1 January 2023	2 646 000	1 764 000	4 410 000	-	1 470 000	1 470 000	1 470 000	-	R 14.88
1 January 2024	1 387 000	778 000	2 165 000	-	-	721 667	721 667	721 666	R 41.75
Total share units	5 366 995	3 292 996	8 659 991	993 992	2 164 999	2 587 667	2 191 667	721 666	

2 495 996 (2023: 2 631 011) share awards were held by executive directors of the company as disclosed in note 18.

19.2 **Fair value of share awards granted**

The fair value of the phantom share awards was measured at the end of the year using the Black-Scholes pricing model.

A liability of R90,6 million (2023: R60,7 million) was raised for this cash-settled employee share award plan in BEGS, the company's subsidiary.

	Measurement date	
Inputs into the model	**31 December 2024**	**31 December 2023**
Spot price of the option	R 38.66	R 23.00
Dividend yield	2.4%	3.9%
Expected volatility of the share price	43.7% - 78.0%	35.1%
Risk-free interest rate	7.3% - 7.7%	7.8% - 8.1%
HEPS	465	798
ROIC	8.5%	12.8%

19.3 **Movement in share awards granted**

The following reconciles the share awards outstanding at the beginning and end of the year:

	2024		**2023**	
	Number of awards	**Weighted average strike price R**	**Number of awards**	**Weighted average strike price R**
Balance at beginning of the year	8 492 999	7.81	5 806 999	6.60
Vested during the year	(1 379 009)	5.99	(1 379 000)	7.49
Granted during the year	2 165 000	26.75	5 650 000	8.93
Forfeited during the year	(618 999)	8.11	(1 585 000)	7.67
Balance at end of the year	8 659 991	12.81	8 492 999	7.81

The share awards outstanding at the end of the year under the cash-settled employee share award plan had a weighted average remaining contractual life of 2,9 years (2023: 3,1 years).

During the year, phantom share awards of R21,8 million (2023: R9,0 million) was settled by BEGS, the company's subsidiary.

20 **Going concern**

The company has adequate financial resources to continue in operation for the foreseeable future and accordingly, the financial statements have been prepared on the basis of a going concern.

21 **Prior period errors**

(a) ***Preference share interest in statement of cash flows***

In the current year the company reassessed the classification of preference share coupons in the statement of cash flows and identified that these were incorrectly classified as non-cash items in the prior year. To correct this, the company has reclassified the preference share coupons from non-cash to cash items. This adjustment has been applied retrospectively in accordance with IAS 8.

(b) ***Preference share capital received in statement of cash flows***

In the current year the company reassessed the classification of preference share capital received in the statement of cash flows and identified that these were incorrectly classified as operating activities in the prior year. To correct this, the company has reclassified the preference share capital received from operating activities to investing activities. This adjustment has been applied retrospectively in accordance with IAS 8.

(c) ***Investments of amounts owing by subsidiary companies***

In the current year the company reassessed the classification of the movements in the amounts owing by subsidiary companies in the statement of cash flows and identified that these were incorrectly classified as operating activities in the prior year. To correct this, the company has reclassified the movement in the amounts owing by subsidiary companies from operating activities to investing activities. This adjustment has been applied retrospectively in accordance with IAS 8.

The following items within the statement of cash flows were impacted by these prior period errors and were adjusted:

FOR THE YEAR ENDED 31 DECEMBER 2023	**As previously reported R000**	**Correction of errors R000**	**Restated R000**
CASH FLOW GENERATED FROM OPERATING ACTIVITIES			
Profit from operating activities	57 685	-	57 685
Adjustments for:			
Change in fair value of financial guarantees	11 831	-	11 831
Interest income accrued	(40 254)	40 254	-
Cash generated from operations before working capital changes	29 262	40 254	69 516
Increase in other receivables and prepayments	(35)	-	(35)
Decrease (increase) in amounts owing by subsidiary companies	57 452	(57 452)	-
Increase in other payables	991	-	991
Cash generated from (utilised in) operations	87 670	(17 198)	70 472
Interest received	5	-	5
Preference share interest received	-	133 155	133 155
Taxation paid	(1 608)	-	(1 608)
Net cash generated from operating activities	86 067	115 957	202 024
CASH FLOW UTILISED IN INVESTING ACTIVITIES			
Loans advanced to subsidiary companies	-	(188 888)	(188 888)
Proceeds from preference share capital	-	72 931	72 931
Net cash utilised in investing activities	-	(115 957)	(115 957)

There was no impact on the statement of financial position and the statement of profit or loss.