

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses 'operating profit' as the starting point of the reconciliation to cash flows from operating activities and is assessing which adjusting items may change in the reconciliation to determine 'Cash generated by operations'.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. If the Group does not have a specified main business activity of investing in assets or providing finance to customers, the Group would have to classify interest paid as financing activities, and interest and dividends received as cash flows from investing activities.

IFRS 18 introduces consequential amendments to IAS 8 by relocating requirements from IAS 1 to IAS 8 in order to improve the organisation of the IFRS accounting standards and to provide users with all the relevant topical content in one standard. The requirements moved are: (a) The concepts of fair presentation and compliance with IFRS accounting standards, (b) Whether an entity is a going concern, (c) The accrual basis of accounting, (d) Disclosure of an entity's selection and application of accounting policies and (e) Disclosure of judgements and sources of estimation uncertainty. Furthermore, the title of the amended IAS 8 will be changed to Basis of Preparation of Financial Statements to better reflect the updated content of IAS 8.

Since these requirements are carried over from IAS 1 mostly unchanged, we do not expect any significant impact for the Group.

IFRS 20 - *Regulatory Assets and Regulatory Liabilities*

Year ending 31 May 2030

IFRS 20 introduces a new accounting model under which a company subject to rate regulation that meets the scope criteria recognises regulatory assets and regulatory liabilities. The impact of IFRS 20 is still being assessed. However, it is not expected to be applicable to the Group because Blu Energy plans to enter into customer agreements that are priced on a per-unit basis, based on the energy consumed, instead of agreements that specify fixed total consideration for the contract period which could result in timing differences.

10.4 OTHER ACCOUNTING POLICIES

FOREIGN CURRENCIES

(A) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group financial statements are presented in South African rand (R), which is the functional and presentation currency of the parent company.

(B) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in accordance with the requirements of IAS 21.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

DIVIDEND TAX

Dividend tax is provided for at 20% of the amount of any dividend paid, subject to certain exemptions. The dividend tax is a tax borne by the beneficial owner of the dividend and will be withheld by either the issuer of the dividend or by regulated intermediaries.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders.

Distributions of non-cash assets received from subsidiary companies are recognised as a dividend at the fair value of the non-cash assets received.