Raubex Group Limited and its subsidiaries

Registration number: 2006/023666/06

ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2022

General information

Nature of business	Diversified infrastructure development and construction
Directors	RJ Fourie (Chief Executive Officer) SJ Odendaal (Financial Director) NF Msiza (Governance, Compliance and Risk Director) F Kenney (Non-executive, Chairman) LA Maxwell (Lead Independent Non-executive) BH Kent (Independent Non-executive) SR Bogatsu (Independent Non-executive)
Secretary	GM Chemaly
Registered office	Building 1 Highgrove Office Park 50 Tegel Avenue Highveld 0169
Business address	Cleveley Kenneth Kaunda Road (Extension) Bloemfontein South Africa 9301
Postal address	PO Box 3722 Bloemfontein 9301
Auditors	PricewaterhouseCoopers Inc. Registered Auditors
Company registration number	2006/023666/06
Officer responsible for the preparation of the financial statements	SJ Odendaal
Designation	Financial Director
Qualification	Chartered Accountant (SA)

These financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Statement of responsibility by the Board of Directors for the year ended 28 February 2022

The directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the annual financial statements and group annual financial statements of Raubex Group Limited and its subsidiaries. The annual financial statements and directors' report presented on pages 15 to 111 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 71 of 2008 of South Africa and the JSE Listings requirements, and include amounts based on judgements and estimates made by management. The directors are also responsible for the preparation of the other information included in the integrated report and for both its accuracy and its consistency with the annual financial statements.

The directors acknowledge that they are ultimately responsible for the process of risk management and the systems of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The directors and management are further responsible for the controls over, and the security of the website, and, specifically, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders.

The directors are of the opinion, based on the information and explanations given by management and the internal auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the financial statements. The impact of Covid-19 and recent conflict in Ukraine has been considered by the directors as part of their going concern assessment. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on its secured order book, available cash resources and forecasts. The viability of the company and the group is supported by the financial statements.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Inc., who has been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.’s unmodified audit report is presented on page 5 to 11.

The financial statements were approved and authorised for issue by the board of directors on 13 May 2022 and signed on its behalf by:

RJ Fourie
Chief Executive Officer

SJ Odendaal
Financial Director

Chief Executive Officer and Financial Director responsibility statement

In terms of section 3.84 (k) of the JSE Listings requirements, the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 18 to 111, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
(b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

RJ Fourie
Chief Executive Officer

SJ Odendaal
Financial Director

Statement of compliance by the Company Secretary

I certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 71 of 2008, in respect of the year ended 28 February 2022, and that all such returns are true, correct and up to date.

GM Chemaly
Company secretary
13 May 2022

Independent auditor's report

To the Shareholders of Raubex Group Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Raubex Group Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Raubex Group Limited's consolidated and separate financial statements set out on pages 18 to 111 comprise:

- the group and holding company statements of financial position as at 28 February 2022;
- the group statement of profit or loss for the year then ended;
- the group and holding company statements of comprehensive income for the year then ended;
- the group and holding company statements of changes in equity for the year then ended;
- the group and holding company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

We 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 Group 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)*.

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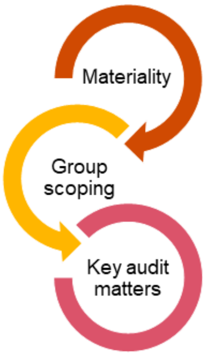
Our audit approach

Overview



Overall group materiality

- Overall group materiality*: R81 million,* which represents *0.7%* of *consolidated revenue.*

Group audit scope

- The consolidated financial statements comprise the Company and 117 components (which include subsidiaries, joint ventures, joint operations and associates). Full scope audits were performed on all 6 financially significant components. Full scope audits were performed on a further 20 components, as well as in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements. Analytical review procedures were performed over the remaining components.

Key audit matter

- Significant estimates and judgements in the accounting for construction contracts.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and 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.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated 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 financial statements as a whole.

Overall group materiality	*R81 million.*
How we determined it	*0.7% of consolidated revenue.*
Rationale for the materiality benchmark applied	We selected consolidated revenue as our materiality benchmark because, in our view, it reflects the activity levels of the Group and it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. This benchmark has remained a key driver of the Group's business. We chose 0.7% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue to compute materiality, and taking into account the levels of debt within the Group.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured in three divisions: the Materials division, the Roads and earthworks division and the Infrastructure division, operating across 8 different geographical locations – South Africa, Botswana, Cameroon, Mozambique, Namibia, Zambia, Zimbabwe and Australia.

The consolidated financial statements comprise the Company and 117 components (which include subsidiaries, joint ventures, joint operations and associates). Full scope audits were performed on all 6 financially significant components. Full scope audits were performed on a further 20 components, as well as in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements. Analytical review procedures were performed over the remaining components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, and other component auditors from other PwC network firms, as well as other audit firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

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

The key audit matter below relates to the consolidated financial statements. We have determined that there are no key audit matters in respect of the separate financial statements of the Company to communicate in our report.

Key audit matter	*How our audit addressed the key audit matter*
Significant estimates and judgements in the accounting for construction contracts Refer to Notes 17 (Contract assets and liabilities) and 30 (Revenue) to the consolidated financial statements. Contracting revenue relating to construction contracts with customers, recognised at an amount of R9.2 billion for the year ended 28 February 2022, contributes a significant portion of the Group's revenue. This revenue is recognised over time, by measuring the progress towards the satisfaction of performance obligations stipulated in its contracts with customers for the construction of assets. To determine the progress towards the satisfaction of the performance obligations on each contract, the Group uses an input method, measuring the costs incurred to date relative to the total estimated cost of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately to the extent that the remaining contract costs are deemed to be unavoidable. Construction contract revenue within the Group results from cost-plus, re-measurable and fixed price contracts. Each contract has specific assumptions and estimates attributed to it regarding: ● Estimated project costs; ● The profit margins on the contracts; and ● Any variable considerations, claims or uninstalled materials to be recognised. We considered this to be a matter of most significance to our current year audit due to the following: ● Management's assessment involves making significant estimates in determining the contract revenue that should be recognised; and ● Given the magnitude of the contract revenue and contract assets and liabilities balances, the accounting treatment of construction contracts has a significant impact on the consolidated financial statements.	We performed the following procedures on a sample of construction contracts: ● We compared estimated total contract revenue as per management's calculations to relevant documentation as applicable, such as signed contracts, award letters, minutes of meetings with contract clients and signed variation orders. No material differences were noted; ● We discussed the status of contracts with management, directors, finance and technical staff, and contract registers were scrutinised. In these discussions, which included consideration of profit margins, loss making contracts and contract assets and liabilities balances, specific emphasis was placed on uncertified contract revenue. We noted no matters in this regard requiring further consideration; ● We tested a sample of costs incurred to date by agreeing it to underlying documentation. No material differences were noted; ● We recalculated costs incurred to date relative to the total estimated construction costs and agreed it to management's calculations. No material differences were noted; ● We agreed certified revenue recognised to work certified to date by contract engineering experts. No material differences were noted; ● We assessed the competency of the contract engineering experts by obtaining evidence relating to their qualifications, experience and professional memberships; ● We performed reasonability tests on the expected profit margins by comparing these to similar ongoing projects and contracts completed during the year. We tested profit margins from year to year on projects running over the financial year end. Deviations in margins were evaluated against explanations obtained from management and other relevant documentation. We found no aspects in this regard which required further consideration;

Key audit matter	*How our audit addressed the key audit matter*
	• We recalculated the revenue per contract based on the input method calculations. Based on our recalculation, we agreed the adjustments between certified progress revenue and revenue recognised to the construction contract assets and liabilities in the consolidated financial statements. No material differences were noted; • We agreed the total revenue as per the respective contract schedules to revenue recorded in the accounting records. No material differences noted; and For the most significant contract, we used our construction expertise to recalculate the estimated cost of completion and the total estimated revenue. Nothing was noted that required management to make any adjustments to their calculations for this contract.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Raubex Group Limited and its subsidiaries Annual Financial Statements for the year ended 28 February 2022”, which includes the Directors’ Report, the Audit Committee report and Statement of compliance 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 other sections of the document titled “Raubex Group Limited Integrated Report 2022”, 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 report thereon.

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

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

If, based on the work we have performed on the other information 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 consolidated and separate financial statements

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Raubex Group Limited for 16 years.

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: L Rossouw
Registered Auditor
Bloemfontein, South Africa
13 May 2022

Audit Committee report

The audit committee is pleased to present this report for the financial year ended 28 February 2022 in compliance with the Companies Act, 71 of 2008, and the recommendations of the King IV report on corporate governance.

The audit committee is an independent statutory committee appointed by the board and performs its functions on behalf of Raubex Group Limited and its subsidiary companies.

Audit committee terms of reference

The audit committee has adopted formal terms of reference that have been approved by the board of directors. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein.

Audit committee members, meeting attendance and assessment

The audit committee is independent and consists of the three independent, non-executive directors set out below. It meets at least four times per annum, with authority to convene additional meetings as circumstances require.

Name	Designation	Date appointed	Qualifications
Mr LA Maxwell	Independent non-executive (Chairman)	2007/03/01	BCom, CA(SA)
Mr BH Kent	Independent non-executive	2011/02/24	BCom, CA(SA), FCMA, HDip Tax, HDip Company Law
Ms SR Bogatsu	Independent non-executive	2017/06/01	BCom, MBA

The chairman of the board, executive directors, non-executive directors, external auditors, internal auditors, financial managers and other assurance providers attend meetings by invitation only.

During the year under review 4 meetings were held and attended as follows:

Name	04-May-21	21-Jul-21	02-Nov-21	24-Feb-22
Mr LA Maxwell	✔	✔	✔	✔
Mr BH Kent	✔	✔	✔	✔
Ms SR Bogatsu	✔	✔	✔	✔

Role and responsibilities

The audit committee carried out its functions through the attendance of audit committee meetings and discussions with executive management, internal audit and external audit.

Statutory duties

The audit committee’s role and responsibilities include statutory duties per the Companies Act, 71 of 2008, and further responsibilities assigned to it by the board. The audit committee has executed its duties in terms of the requirements of King IV.

The audit committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

External auditor appointment and independence

The audit committee has satisfied itself that the external auditors, PricewaterhouseCoopers Inc., are independent of the company and its subsidiaries ("the group") and have ensured that their appointment has complied with the Companies Act, 71 of 2008 of South Africa and the JSE Listings Requirements.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted fees for the year ended 28 February 2022.

JSE accreditation of auditors

The audit committee confirms that, based on the amended requirements for the JSE accreditation of auditors effective 15 October 2017, the committee is satisfied that:

- the audit firm PricewaterhouseCoopers Inc. has met all the criteria stipulated in the JSE Listings Requirements, including that the audit regulator has successfully completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle;
- the auditor has provided the audit committee with the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and
- both the audit firm and the engagement partner understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

Audit Committee report (continued)

Statutory duties (continued)

Auditor suitability

The audit committee met with the external auditor on 10 May 2022 in order to consider the suitability for reappointment of the current audit firm PricewaterhouseCoopers Inc. and the designated engagement partner, as contemplated in terms of paragraph 22.15(h) of the JSE Listings Requirements. The committee considered the information in the document prepared and presented by the external auditor for this purpose. In light of the above, the committee is satisfied to recommend to shareholders the reappointment of the external auditor to act as independent auditor of the company until its next annual general meeting. The committee is satisfied to reappoint Mr L Rossouw as the engagement partner for the ensuing year.

Financial statements and accounting practices

The audit committee has reviewed the accounting policies and the financial statements of the group and is satisfied that they are appropriate and comply with International Financial Reporting Standards, the Companies Act, 71 of 2008, and the JSE Listings Requirements.

The audit committee has also reviewed and considered the detailed findings and recommendations made in the JSE's report back on proactive monitoring of financial statements in 2021.

Internal financial controls

The audit committee has reviewed the process by which internal audit performs its assessment of the effectiveness of the group’s system of internal control, including internal financial controls. Nothing has come to the attention of the committee to indicate any material breakdown in the company’s system of internal financial control. The audit committee has further evaluated the chief executive officer and financial director responsibility statement on the annual financial statements and internal financial controls in terms of the JSE Listings Requirement 3.84(k).

Financial reporting procedures

The audit committee has reviewed the group's financial reporting procedures to ensure they are appropriate and are operating effectively, this includes a consideration of all entities included in the consolidated annual financial statements. The committee further considered the group's access to the financial information of its subsidiaries, associates and joint ventures, which allow the group to effectively prepare the financial statements and deems this to be sufficient.

Duties assigned by the board

In addition to the statutory duties of the audit committee, as reported above, the board of directors has determined further functions for the audit committee to perform. These functions include the following:

Integrated reporting and combined assurance

The audit committee fulfils an oversight role regarding the group’s integrated report and the reporting process and considers the level of assurance coverage obtained from management, internal and external assurance providers in making its recommendation to the board.

Going concern

The audit committee reviews the going concern status of the group at each meeting and makes recommendations to the board.

Governance of risk

The audit committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk and information technology risks as it relates to financial reporting.

During the year under review, the information technology ("IT") steering committee was separated from the executive committee ("Exco") and re-established as a separate committee that meets on a monthly basis. The IT steering committee assists the audit committee fulfil their oversight role with regards to the governance of IT risks.

Internal audit

The audit committee is responsible for ensuring that the group’s internal audit function is independent and has the necessary resources, standing and authority within the group to enable it to discharge its duties.

Audit Committee report (continued)

Evaluation of the expertise and experience of the financial director and finance function

The audit committee has satisfied itself that the financial director has appropriate expertise and experience.

The audit committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

The audit committee has assessed and confirmed that the group has established appropriate financial reporting procedures and that the procedures are operating effectively.

Comment on key audit matters reported in the external audit report

In order to provide stakeholders with further insights into the key audit matters reported by the external auditors, the committee wishes to elaborate on these important aspects as follows:

Accounting treatment of construction contracts

The group has significant construction contracts within all its reporting segments consisting of Cost-plus, Re-measurable and Fixed Price contracts. Recognising revenue on construction contracts is done in accordance with IFRS 15, where it is recognised over time, is measured at the fair value of the consideration received or receivable and includes variations and claims. Progress towards the satisfaction of performance obligations is determined using an input method which measures the costs incurred to date in relation to the total estimate cost of the contract.

This matter is considered material given the significant judgement involved in preparing suitable estimates of forecast costs and profit margins on these contracts.

The committee assessed the methodology and judgements applied by management in terms of the accounting treatment of construction contracts.

The committee has discussed the above mentioned matter with the external auditors to understand their related audit procedures and evidence to support the judgements and calculations.

The committee concluded that the methodology and judgements applied by management are in accordance with IFRS.

LA Maxwell
Chairman of the Audit Committee

13 May 2022

Directors' report

This report presented by the directors is a constituent document of the group consolidated financial statements at 28 February 2022.

Nature of business
Raubex Group Limited is an investment holding company listed on the Johannesburg Stock Exchange with interests in the Construction and Materials sectors. The company does not trade and all of its activities are undertaken through a number of subsidiaries, associates and joint arrangements. Details of the major operating subsidiaries, associates, joint ventures and joint operations are disclosed in note 14, 44 and 45 of the group financial statements.

Group financial results
Revenue increased 30.8% to R11.58 billion (2021: R8.85 billion)
Operating profit increased 159.4% to R945.32 million (2021: R364.46 million)
Profit before tax increased 167.3% to R913.28 million (2021: R341.61 million)
Profit after tax increased 208.1% to R625.43 million (2021: R203.01 million)

Group earnings attributable to owners of the parent for the year ended 28 February 2022 were R552.0 million (2021: R158.1 million), representing basic earnings per share of 305.9 cents (2021: 87.4 cents). Headline earnings per share were 297.4 cents (2021: 81.9 cents).

Full details of the financial position and results of the group are set out in these financial statements.

Share capital
No new shares were issued during the year (2021: nil).

Full details of the authorised and issued capital of the company at 28 February 2022 are set out in note 26 and 27 of these financial statements.

Employee Long Term Incentive Scheme
During the year 1 273 543 (2021: 1 945 177) performance shares were granted to directors and prescribed officers. Full details of the employee long term incentive scheme are set out in note 38 of these financial statements.

Cash and cash equivalents
Cash from operations decreased 39.8% to R800.09 million (2021: R1 329.42 million).

Cash and cash equivalents amounted to R1.50 billion (2021: 1.88 billion). Full details are set out in note 19 of these financial statements.

Dividend
The following dividends were declared during the year ended 28 February 2022:

- Final dividend number 27 declared on 10 May 2021 of 29 cents per ordinary share (2021: nil cps)
- Interim dividend number 28 declared on 8 November 2021 of 47 cents per ordinary share (2021: 24 cps)

After consideration was given to the solvency and liquidity of the group, a final dividend in respect of the year ended 28 February 2022 of 54 cents per share was proposed at the board of directors meeting on 13 May 2022 and declared on the release of the group's results. These financial statements do not reflect this dividend payable.

Business combinations

Bauba Resources Limited ("Bauba")
On 29 March 2021, the group, through its subsidiary Raubex (Pty) Ltd, acquired 147 811 073 shares of Bauba for R54.7 million. This acquisition amounts to a 23.08% shareholding in Bauba and represents a significant influence in terms of IAS 28 and the group's interest in Bauba was accounted for using the equity method. Pursuant to a claw back offer made by Bauba to raise additional capital during the year, the group acquired an additional 41 734 851 shares for R13.4 million. Raubex (Pty) Ltd underwrote the claw back offer which resulted in an additional percentage being obtained due to some shareholders not taking up their offers. The group's shareholding moved from 23.08% to 26.39% subsequent to the claw back offer effective 1 December 2021. The group's ownership still represented significant influence, in terms of IAS 28.

On 31 January 2022, with approval from the Competition Commission, the group acquired an additional 185 217 699 shares of Bauba, from existing shareholders, for R68.9 million. This resulted in the group's effective shareholding increasing to 51.09%. The group has determined that it exercises control in terms of IFRS 10 effective 31 January 2022. Bauba has been consolidated since 31 January 2022.

Bauba is a mining company listed on the JSE, with various mineral reserves under licence. This acquisition will afford the group the opportunity to participate in materials handling and processing opportunities for Bauba's open cast mining operations in the future. Bauba also has the potential to further diversify the group's operations through its mining operations.

Directors' report (continued)

Transactions with non-controlling interests

Westforce Construction (Pty) Ltd ("Westforce")
On 1 March 2021, the group acquired an additional 10% of Westforce shares from a non-controlling shareholder for R19.3 million cash. This transaction increased the group's shareholding from 70% to 80%. A further amount is payable to the non-controlling shareholder contingent on the average performance of Westforce over the 3 year period from 1 March 2019 to 28 February 2022.

Raubex Construction (Pty) Ltd (Australia) ("Raubex Construction Australia")
On 1 March 2021, the group acquired an additional 2% of Raubex Construction Australia's shares from non-controlling shareholders via a restructuring transaction. This transaction increased the Group's shareholding from 68% to 70% costing R0.9 million.

Capital commitments
Details of capital commitments are set out in note 42 of these financial statements.

Property, plant and equipment
Other than the mine infrastructure, stripping assets and mineral rights in production acquired through the acquisition of Bauba (refer to note 6), there have been no major changes in the nature of the assets of the group during the year or in the policy relating to their use. Capital expenditure for the year amounted to R695.9 million (2021: R417.2 million). Property, plant and equipment acquired through the acquisition of subsidiaries during the year amounted to R512.4 million (2021: Rnil). This relates mostly to the acquisition of Bauba.

Contingencies
Details of contingencies are set out in note 43 of these financial statements.

Voluntary Rebuilding Programme
The group entered into a settlement agreement with the government of the Republic of South Africa (the Government) on 11 October 2016 , together with other construction companies, in an effort to address the Construction Companies' exposure to potential claims for damages from certain identified public entities arising primarily from the fast track settlement process launched by the South African Competition Authorities in February 2011, as well as to significantly advance the transformation of the South African construction sector. Further details can be found in note 23 of these financial statements.

Covid-19 and Ukraine conflict
During the current financial year, Covid-19 had a very limited effect on the group especially as no hard lockdowns were enforced which impacted the group in the first half of the previous financial year. The roll out of vaccines and further relaxation of restrictions during the current financial year also allowed for easier execution of work across the group.

Following Russia's invasion of Ukraine, the effects on the group have been limited to date. The group is only indirectly exposed to the conflict through the impact on the oil price or indirect effects on the countries in which we operate. The oil price influences the price of fuel and effectively the cost of doing business as the nature of the industry remains a fuel intensive one. The price of oil rose significantly during the early stages of the invasion but has since started to trend downwards towards more normalised prices. The group has no direct ties to Russia or Ukraine that would have any financial impact on the group from either a currency deflation or financial recoverability perspective. Furthermore, macroeconomic factors are considered when determining the estimated credit loss model that will further cover any risk associated with this. The group believes that the risks associated with the conflict are relatively low at this stage, but such risks will be assessed on an on-going basis.

Events after the reporting period
With the acquisition of Bauba (refer to the "Business combinations" section) the group triggered a mandatory offer in terms of section 123 of the Companies Act, 71 of 2008 (read together with section 117 of the Companies Act, 71 of 2008 and regulation 86 of the Takeover Regulations), as a result of owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share, was opened to shareholders and has a closing date set at 27 May 2022. At this stage it is still not known as to how many shareholders will take up the offer. Should the offer be taken up on all applicable shares, the expected cost to the group would be c. R85 million excluding fees and transaction costs.

The directors are not aware of any other subsequent events that occurred between year-end and date of authorisation of the annual financial statements that require any adjustment or additional disclosure in the annual financial statements.

Directors' report (continued)

Special Resolutions
The following special resolutions were passed during the year:

Special resolution number one: Remuneration of non-executive directors
Resolved in terms of article 26.3.2 of the company's Memorandum of Incorporation and in accordance with sections 66(8) and 66(9) of the Companies Act, 71 of 2008, that the remuneration payable to the non-executive directors for 2022 financial year be as follows:

	Annual remuneration R'000
Chairman	1 208
Lead independent non-executive director	982
Non-executive director	755

Special resolution number two: General authority to repurchase shares
Resolved that the company or any of its subsidiaries be authorised by way of general authority to repurchase the company's own securities from time to time, upon such terms and conditions and in such amount as the directors of the company determine, but subject to the applicable requirements in the company's Memorandum of Incorporation, the Companies Act, 71 of 2008, and the JSE Listings Requirements.

Special resolution number three: Financial assistance to related or inter-related companies and corporations
Resolved that the directors may, subject to the provisions of sections 44 and 45 of the Companies Act, 71 of 2008, authorise the company to provide any direct or indirect financial assistance to or for the benefit of any company or corporation which is related or inter-related to the company for such amounts and on such terms and conditions as the board of the company may determine.

Directorate and secretary
The names of the directors and secretary are set out on page 1 of these financial statements.

Interests of directors in the share capital
Details of ordinary shares held directly and indirectly per individual director and details of performance shares granted to the directors are set out in note 40 of these financial statements.

Directorate changes
SJ Odendaal was appointed as group financial director, effective 1 June 2021, following the resignation of JF Gibson effective 31 May 2021.

As announced on SENS on 12 May 2022, Rudolf Fourie will retire as Chief Executive Officer ("CEO") of Raubex effective 31 July 2022 and assume a new position as non-executive Deputy Chairman of the Company from 1 August 2022. As part of a succession process, Felicia Msiza, currently Executive Director: governance, risk and compliance, has been appointed as CEO of the Company, effective 1 August 2022. Due to the increasing scale and complexity of the business, the Board has taken the decision to create an executive Chief Operating Officer ("COO") position which will be assumed by Dirk Lourens, the current Managing Director of Raubex's Infrastructure Division..

Shareholder spread
The company has one class of listed share. Detail of the company's authorised and issued share capital are set out in note 26 of these financial statements.

Shareholder spread	Number of shares 2022	Number of shares 2021	% held 2022	% held 2021
Public shareholders	**170 336 368**	169 822 339	**93.7**	93.4
Non-public shareholders	**11 413 668**	11 927 697	**6.3**	6.6
Total shares	**181 750 036**	181 750 036	**100**	100
Non-public shareholders	**Number of shares 2022**	**Number of shares 2021**	**% held 2022**	**% held 2021**
Directors of the company	**7 757 686**	9 034 790	**4.3**	5.0
Directors of subsidiaries	**1 956 799**	1 987 370	**1.1**	1.1
Treasury shares – Raubex (Pty) Ltd	**1 699 183**	905 537	**0.9**	0.5
Total shares	**11 413 668**	11 927 697	**6.3**	6.6
Beneficial shareholders with a holding greater than 5% of the issued shares	**Number of shares 2022**	**Number of shares 2021**	**% of shares in issue 2022**	**% of shares in issue 2021**
Old Mutual Investment Group	**47 530 535**	45 226 951	**26.2**	24.9
Government Employee Pension Fund	**22 710 349**	19 914 526	**12.5**	11.0
PSG Asset Management	**11 128 311**	14 373 758	**6.1**	7.9
Total shares	**81 369 195**	79 515 235	**44.8**	43.8

Auditors
PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act, 71 of 2008. At the annual general meeting shareholders will be requested to appoint PricewaterhouseCoopers Inc. as the group's auditors for the 2023 financial year.

Group statement of financial position

	Note	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	**3 043 285**	2 384 052
Investment property	**11**	**114 495**	-
Right-of-use assets	**12**	**377 188**	295 030
Intangible assets	**13**	**999 984**	1 025 282
Investment in associates and joint ventures	**14**	**12 359**	51 152
Investments in service concessions	**15**	**23 153**	22 755
Deferred income tax assets	**25**	**115 415**	155 756
Inventories	**16**	**31 726**	58 163
Trade and other receivables	**18**	**13 516**	13 555
Other financial assets - debt	**20**	**224 269**	188 236
Other financial assets - equity	**20**	**90 977**	-
Total non-current assets		**5 046 367**	4 193 981
Current assets			
Inventories	**16**	**975 461**	688 944
Contract assets	**17**	**461 158**	324 838
Trade and other receivables	**18**	**1 981 991**	1 358 746
Other financial assets - debt	**20**	**17 938**	6 875
Current income tax receivable		**11 844**	21 536
Cash and cash equivalents (excluding bank overdrafts)	**19**	**1 504 801**	1 891 636
Total current assets		**4 953 193**	4 292 575
Total assets		**9 999 560**	8 486 556
EQUITY			
Share capital	**26**	**1 817**	1 817
Share premium	**26**	**2 059 688**	2 059 688
Treasury shares	**27**	**(47 077)**	(16 002)
Other reserves	**28**	**(1 096 014)**	(1 120 424)
Retained earnings		**3 877 700**	3 478 306
Equity attributable to owners of the parent		**4 796 114**	4 403 385
Non-controlling interest	**29**	**421 857**	270 839
Total equity		**5 217 971**	4 674 224
LIABILITIES			
Non-current liabilities			
Borrowings	**21**	**557 578**	397 022
Lease liabilities	**12**	**392 719**	350 353
Provisions for liabilities and charges	**22**	**134 876**	109 532
Deferred income tax liabilities	**25**	**244 568**	268 380
Other financial liabilities	**23**	**74 775**	101 540
Total non-current liabilities		**1 404 516**	1 226 827
Current liabilities			
Trade and other payables	**24**	**1 867 002**	1 435 652
Contract liabilities	**17**	**937 858**	666 620
Borrowings	**21**	**402 313**	398 173
Lease liabilities	**12**	**63 003**	31 527
Current income tax liabilities		**67 842**	32 650
Provisions for liabilities and charges	**22**	**3 012**	5 883
Other financial liabilities	**23**	**36 043**	15 000
Total current liabilities		**3 377 073**	2 585 505
Total liabilities		**4 781 589**	3 812 332
Total equity and liabilities		**9 999 560**	8 486 556

The notes on pages 23 to 98 are an integral part of these financial statements.

Group statement of profit or loss

	Note	2022 R'000	2021 R'000
Revenue	**30**	**11 577 951**	8 846 454
Cost of sales	**33**	**(9 985 567)**	(7 835 914)
Gross profit		**1 592 384**	1 010 540
Other income	**31**	**13 783**	17 251
Other gains/(losses) - net	**32**	**35 987**	13 146
Administrative expenses	**33**	**(672 702)**	(627 945)
Net impairment losses on financial and contract assets		**(24 136)**	(48 536)
Operating profit		**945 316**	364 456
Finance income	**34**	**60 323**	68 041
Finance costs	**34**	**(84 407)**	(90 021)
Finance costs - net	**34**	**(24 084)**	(21 980)
Share of loss of equity accounted investments	**14**	**(7 954)**	(864)
Profit before income tax		**913 278**	341 612
Income tax expense	**35**	**(287 845)**	(138 599)
Profit for the year		**625 433**	203 013
Attributable to:			
Owners of the parent		**551 955**	158 141
Non-controlling interests	**29**	**73 478**	44 872
		625 433	203 013
Basic earnings per share (cents)	**4**	**305.9**	87.4
Diluted earnings per share (cents)	**4**	**303.7**	86.9

The notes on pages 23 to 98 are an integral part of these financial statements.

Group statement of comprehensive income

	Note	2022 R'000	2021 R'000
Profit for the year		**625 433**	203 013
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations		**(826)**	1 320
Change in fair value of investments held at fair value through OCI		**15 274**	-
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	**28**	**(320)**	12 222
Other comprehensive income for the year, net of tax		**14 128**	13 542
Total comprehensive income for the year		**639 561**	216 555
Attributable to:			
Owners of the parent		**566 668**	169 179
Non-controlling interests	**29**	**72 893**	47 376
Total comprehensive income for the year		**639 561**	216 555

The notes on pages 23 to 98 are an integral part of these financial statements.

Group statement of changes in equity

	Share capital R'000	Share premium R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Total attributable to owners of the parent company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 29 February 2020	1 817	2 059 688	(16 002)	(1 141 844)	3 352 698	4 256 357	257 417	4 513 774
Changes in equity:								
Share option reserve	-	-	-	11 702	-	11 702	-	11 702
Disposal of shares to non-controlling interest	-	-	-	-	9 550	9 550	(9 550)	-
Disposal of subsidiary	-	-	-	-	-	-	(308)	(308)
Profit for the year	-	-	-	-	158 141	158 141	44 872	203 013
Other comprehensive income for the year	-	-	-	9 718	1 320	11 038	2 504	13 542
Dividends paid	-	-	-	-	(43 403)	(43 403)	(24 096)	(67 499)
Total changes	-	-	-	21 420	125 608	147 028	13 422	160 450
Balance at 28 February 2021	**1 817**	**2 059 688**	**(16 002)**	**(1 120 424)**	**3 478 306**	**4 403 385**	**270 839**	**4 674 224**
Changes in equity:								
Share option reserve	**-**	**-**	**-**	**17 248**	**-**	**17 248**	**-**	**17 248**
Share option reserve utilised during the year	**-**	**-**	**-**	**(9 286)**	**9 286**	**-**	**-**	**-**
Treasury shares issued in terms of equity settled share scheme	**-**	**-**	**10 715**	**-**	**(10 715)**	**-**	**-**	**-**
Acquisition of treasury shares	**-**	**-**	**(41 790)**	**-**	**-**	**(41 790)**	**-**	**(41 790)**
Acquisition of shares from non-controlling interest	**-**	**-**	**-**	**909**	**(13 237)**	**(12 328)**	**(7 914)**	**(20 242)**
Acquisition of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**127 105**	**127 105**
Disposal of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**(4 837)**	**(4 837)**
Profit for the year	**-**	**-**	**-**	**-**	**551 955**	**551 955**	**73 478**	**625 433**
Other comprehensive income for the year	**-**	**-**	**-**	**15 539**	**(826)**	**14 713**	**(585)**	**14 128**
Dividends paid	**-**	**-**	**-**	**-**	**(137 069)**	**(137 069)**	**(36 229)**	**(173 298)**
Total changes	**-**	**-**	**(31 075)**	**24 410**	**399 394**	**392 729**	**151 018**	**543 747**
Balance at 28 February 2022	**1 817**	**2 059 688**	**(47 077)**	**(1 096 014)**	**3 877 700**	**4 796 114**	**421 857**	**5 217 971**
Note	26	26	27	28			29	

Group statement of cash flows

	Note	2022 R'000	2021 R'000
Cash flows from operating activities			
Cash generated from operations	39	800 090	1 329 416
Interest received	34	43 923	59 254
Interest paid	34	(65 249)	(77 682)
Income tax paid	39	(212 635)	(190 615)
Net cash generated from operating activities		566 129	1 120 373
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(695 874)	(417 155)
Purchases of investment property	11	(5 110)	-
Proceeds from sale of property, plant and equipment	39	171 348	101 778
Proceeds on sale and leaseback transaction	20	-	180 125
Disposal of subsidiaries	6	15 185	280
Acquisition of subsidiaries	6	(63 817)	-
Acquisition of associates	6	(71 441)	-
Acquisition of equity instruments (other financial assets)	20	(64 379)	-
Loan repayments received from associates and joint ventures	14	33 679	-
Loans granted to associates and joint ventures	20,14	(2 844)	(1 091)
Net cash used in investing activities		(683 253)	(136 063)
Cash flows from financing activities			
Proceeds from borrowings	39.1	546 127	354 420
Repayment of borrowings	39.1	(531 174)	(363 165)
Repayment of lease liabilities (capital repayments)	12	(38 344)	(35 962)
Dividends paid to owners of the parent	5	(137 069)	(43 403)
Dividends paid to non-controlling interests	29	(36 229)	(24 096)
Acquisition of non-controlling interest		(20 242)	-
Acquisition of treasury shares	27	(41 790)	-
Net cash used in financing activities		(258 721)	(112 206)
Net (decrease)/increase in cash and cash equivalents		(375 845)	872 104
Cash and cash equivalents at the beginning of the year		1 883 691	1 006 268
Effects of exchange rates on cash and cash equivalents		(3 047)	5 319
Cash and cash equivalents at the end of the year	19	1 504 799	1 883 691

The notes on pages 23 to 98 are an integral part of these financial statements.

Notes to the group financial statements

1. Basis of preparation

The consolidated financial statements of Raubex Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations issued by the IFRS Interpretations Committee (IFRS IC), the JSE Listings Requirements, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, 71 of 2008, of South Africa. The consolidated financial statements have been rounded to the nearest thousand rand and have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

A number of International Financial Reporting Standards, Interpretations and amendments as issued by the International Accounting Standards Board (IASB) became applicable to the group, effective 1 March 2021. Refer to note 48 for details on new standards, interpretations and amendments that have been issued but which are not yet applicable to the group.

Except for those mentioned above or if otherwise stated, the principal accounting policies used in the preparation of these consolidated financial statements are consistent with those applied for the year ended 28 February 2021 in terms of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

The operating cycle of contracts in progress, development land and retentions is considered to be more than 12 months. Accordingly the associated liabilities are classified as current as they are expected to be settled within the same operating cycle as contracts in progress and retentions.

The directors are of the view that no material uncertainties relating to the group's ability to continue as a going concern exist. The directors are also satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Covid-19 and Ukraine conflict

During the current financial year, Covid-19 had very limited effect on the group especially as no hard lockdowns were enforced which impacted the group in the first half of the previous financial year. The roll out of vaccines and further relaxation of restrictions during the current financial year also allowed for easier execution of work across the group.

Following Russia's invasion of Ukraine, the effects on the group have been limited to date. The group is only indirectly exposed to the conflict through the impact on the oil price or indirect effects on the countries in which we operate. The oil price influences the price of fuel and effectively the cost of doing business as the nature of the industry remains a fuel intensive one. The price of oil rose significantly during the early stages of the invasion but has since started to trend downwards towards more normalised prices. The group has no direct ties to Russia or Ukraine that would have any financial impact on the group from either a currency deflation or financial recoverability perspective. Furthermore, macroeconomic factors are considered when determining the estimated credit loss model that will further cover any risk associated with this. The group believes that the risks associated with the conflict are relatively low at this stage, but such risks will be assessed on an on-going basis.

2. Significant estimates and judgements

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the group's management to make estimates and judgements concerning the future that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The resulting accounting estimates and judgements can, by definition, only approximate the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follow:

Significant estimates:

- Estimates made in determining changes in estimated useful lives and residual value of property, plant and equipment (refer to note 10)
- Estimates regarding impairment of property, plant and equipment (refer to note 10)
- Estimated impairment of goodwill (refer to note 13)
- Contract revenue recognition and profit taking (refer to note 17 and 30)
  Each contract has specific estimates attributed to it regarding the estimated project costs, profit margins and variable considerations, claims or uninstalled materials. A meaningful sensitivity analysis on contract estimates is not practical. Contract revenue is also considered to be the most significant estimate for the group.
- Estimate of exposure and liabilities with regard to rehabilitation costs (refer to note 22)
- Estimates regarding the fair value of the performance shares issued to employees (refer to note 38)

Significant judgements:

- Judgements with regards to significant influence over equity investments (refer to note 20)

3. Segmental Information

The group's operating segments reflect the management structure of the group and the manner in which performance is evaluated and resources allocated as managed by the group’s chief operating decision-maker, which is defined as the group's executive committee (Exco).

The group's operating segments are defined as follows:

- *Materials*
  The materials division comprises three main disciplines, namely i) commercial quarries, ii) contract crushing and iii) materials handling and processing services for the mining industry.

- *Roads and earthworks*
  This division includes the road and civil infrastructure construction operations focused on the key areas of new road construction and road rehabilitation. The division further specialises in the manufacturing and laying of asphalt, chip and spray, surface dressing, enrichments and slurry seals and includes the manufacture and distribution of value added bituminous products.

- *Infrastructure*
  The infrastructure division specialises in disciplines outside of the road construction sector, including energy (with a specific focus on renewable energy), facilities management, telecommunications, housing infrastructure projects and commercial building refurbishment and construction.

Exco assesses the performance of the operating segments based on operating profit.

Exco also considers the business geographically, from a South African (local), African (Rest of Africa) and Australian perspective.

Inter-segment transfers
Segment revenue and segment expenses include transfers between business segments and between geographical segments. Such transfers are accounted for at arm’s length prices. These transfers are eliminated on consolidation.

Segment revenue and expenses
All segment revenue and expenses are directly attributable to the segments. Segment revenue and expenses are allocated to the geographic segments based on the location of the operating activity.

Segment assets
These are all operating assets used by a segment, principally consisting of property, plant and equipment, right-of-use assets, investments, inventories, contract assets, receivables (net of allowances) and cash and cash equivalents. Segment assets are allocated to the geographic segments based on where the assets are located.

Segment liabilities
These are all operating liabilities of a segment, principally accounts payable, contract liabilities and external interest bearing borrowings.

Segmental analysis

Operating segments	**Materials**	**Roads and earthworks**	**Infrastructure**	**Other***	**Consolidated**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
For the year ended 28 February 2021					
Revenue	2 452 181	3 549 996	2 844 277	-	**8 846 454**
Operating profit	301 811	10 439	52 206	-	**364 456**
Finance income	26 594	33 006	8 441	-	**68 041**
Finance costs	(46 085)	(19 650)	(17 268)	(7 018)	**(90 021)**
Share of profit of investments accounted for using the equity method	-	(1 248)	384	-	**(864)**
Taxation	(98 642)	(13 545)	(26 412)	-	**(138 599)**
Profit for the year	**183 678**	**9 002**	**17 351**	**(7 018)**	**203 013**
Segment assets	2 925 231	3 885 986	1 535 087	140 252	**8 486 556**
Segment liabilities	1 308 576	1 510 940	912 847	79 969	**3 812 332**
Depreciation and amortisation	307 013	88 907	64 268	-	**460 188**
Capital expenditure	215 812	108 075	93 268	-	**417 155**
Inter segment revenue	109 146	44 155	82 636	-	**235 937**

3. Segmental Information (continued)

Segmental analysis (continued)

Operating segments	**Materials R'000**	**Roads and earthworks R'000**	**Infrastructure R'000**	**Other* R'000**	**Consolidated R'000**
For the year ended 28 February 2022					
Revenue	**2 491 841**	**5 537 481**	**3 548 629**	**-**	**11 577 951**
Operating profit	**272 697**	**297 352**	**375 267**	**-**	**945 316**
Finance income	**19 632**	**36 106**	**4 585**	**-**	**60 323**
Finance costs	**(34 190)**	**(27 807)**	**(16 109)**	**(6 301)**	**(84 407)**
Share of profit of investments accounted for using the equity method	**(2 839)**	**(11 452)**	**6 337**	**-**	**(7 954)**
Taxation	**(85 127)**	**(96 242)**	**(106 476)**	**-**	**(287 845)**
Profit for the year	**170 173**	**197 957**	**263 604**	**(6 301)**	**625 433**
Segment assets	**3 874 137**	**4 338 321**	**1 632 974**	**154 128**	**9 999 560**
Segment liabilities	**1 679 711**	**2 035 189**	**995 419**	**71 270**	**4 781 589**
Depreciation and amortisation	**268 405**	**89 050**	**76 999**	**-**	**434 454**
Capital expenditure	**430 467**	**172 457**	**92 950**	**-**	**695 874**
Inter segment revenue	**154 305**	**8 072**	**281 116**	**-**	**443 493**

* *Other consists of amounts that cannot be allocated to specific segments, including the voluntary rebuilding programme detailed in note 23 together with the preference shares acquired in ABI, vendor loan and other receivable owed from ABI as detailed in note 20.*

Approximately 14.8% (2021: 4.3%) of total revenue is derived from a single external customer i.e. The South African National Roads Agency (SANRAL), these revenues are attributable to all the operating segments.

Approximately 11.7% (2021: 16.1%) of total revenue is derived from South African local municipalities and provincial governments, these revenues are attributable to all the operating segments.

Additional voluntary disclosure: Geographical information

	South Africa R'000	**Rest of Africa R'000**	**Australia R'000**	**Other* R'000**	**Consolidated R'000**
For the year ended 28 February 2021					
Revenue	7 183 346	564 871	1 098 237	-	8 846 454
Operating profit	302 974	(12 794)	74 276	-	364 456
Finance income	67 543	400	98	-	68 041
Finance costs	(78 253)	(860)	(3 890)	(7 018)	(90 021)
Share of profit of investments accounted for	(864)	-	-	-	(864)
Taxation	(29 469)	(87 580)	(21 550)	-	(138 599)
Profit for the year	261 931	(100 834)	48 934	(7 018)	203 013
Segment assets	7 357 558	419 938	568 808	140 252	8 486 556
Segment liabilities	3 241 910	124 893	365 560	79 969	3 812 332
Depreciation and amortisation	403 696	35 530	20 962	-	460 188
Capital expenditure	344 370	3 244	69 541	-	417 155
Inter segment revenue	209 386	13 111	-	-	222 497
For the year ended 28 February 2022					
Revenue	**8 401 483**	**1 536 389**	**1 640 079**	**-**	**11 577 951**
Operating profit	**479 679**	**288 169**	**177 468**	**-**	**945 316**
Finance income	**59 770**	**343**	**210**	**-**	**60 323**
Finance costs	**(74 100)**	**(1 288)**	**(2 718)**	**(6 301)**	**(84 407)**
Share of profit of investments accounted for using the equity method	**(7 954)**	**-**	**-**	**-**	**(7 954)**
Taxation	**(135 372)**	**(98 188)**	**(54 285)**	**-**	**(287 845)**
Profit for the year	**322 023**	**189 036**	**120 675**	**(6 301)**	**625 433**
Segment assets	**8 574 922**	**503 952**	**766 558**	**154 128**	**9 999 560**
Segment liabilities	**4 202 920**	**134 571**	**372 828**	**71 270**	**4 781 589**
Depreciation and amortisation	**384 911**	**13 015**	**36 528**	**-**	**434 454**
Capital expenditure	**632 078**	**2 299**	**61 497**	**-**	**695 874**
Inter segment revenue	**1 141 975**	**120**	**-**	**-**	**1 142 095**

* *Other consists of amounts that cannot be allocated to specific segments, including the voluntary rebuilding programme detailed in note 23 together with the preference shares acquired in ABI, vendor loan and other receivable owed from ABI as detailed in note 20.*

Revenues from the rest of Africa account for 13.3% (2021: 6.4%) of total group revenue and were generated from operations in Botswana, Cameroon, Mozambique, Namibia, Zambia and Zimbabwe. Revenues from Australia account for 14.2% (2021: 12.4%) of total group revenue and were generated from operations in western Australia.

Notes to the group financial statements (continued)

4. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent entity by the weighted average number of ordinary shares in issue during the year.

	2022 R'000	2021 R'000
Profit attributable to owners of the parent entity	**551 955**	158 141
Weighted average number of ordinary shares in issue*	**180 422**	180 844
Basic earnings per share (cents)	**305.9**	87.4

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2022 R'000	2021 R'000
Profit attributable to owners of the parent entity	**551 955**	158 141
Weighted average number of ordinary shares in issue*	**180 422**	180 844
Adjustments for:		
Shares deemed issued for no consideration (share options)	**1 293**	1 119
Weighted average number of ordinary shares for diluted earnings per share	**181 715**	181 963
Diluted earnings per share (cents)	**303.7**	86.9

Headline

Profit attributable to owners of the parent entity	**551 955**	158 141
Adjustments for:		
Profit on sale of property, plant and equipment (note 32)	**(14 538)**	(14 537)
Bargain purchase on acquisition of joint venture (note 14)	**(6 173)**	-
Profit on remeasurement of associate (note 14)	**(9 451)**	-
Impairment of goodwill and mining rights (note 32)	**5 400**	-
Profit on disposal of joint venture (note 14)	**(84)**	-
Loss on disposal of subsidiary (note 32)	**4 524**	15
Add back: Non-controlling interests' portion of profit on sale of property, plant and equipment	**470**	463
Total tax effects of adjustments	**4 535**	4 018
Basic headline earnings	**536 638**	148 100
Weighted average number of shares*	**180 422**	180 844
Headline earnings per share (cents)	**297.4**	81.9
Headline earnings	**536 638**	148 100
Adjusted weighted average number of shares	**181 715**	181 963
Diluted headline earnings per share (cents)	**295.3**	81.4

** The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.*

5. Dividends per share

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the board of directors.

The following dividends were approved and paid during the year:

	2022		2021	
	Number of shares ('000)	**Value R'000**	Number of shares ('000)	Value R'000
Previous year final dividend paid	**181 750**	**52 708**	181 750	**-**
Current year interim dividend paid	**181 750**	**85 422**	181 750	43 620
Dividends received on treasury shares	**(1 699)**	**(1 061)**	(906)	(217)
Total dividends paid		**137 069**		43 403

After consideration was given to the solvency and liquidity test of the group, a final dividend in respect of the year ended 28 February 2022 of R98.1 million (54 cents per share) amounting to a total dividend for the year of R183.6 million (101 cents per share) was proposed at the board of directors' meeting on 13 May 2022 and declared on the release of the group's results. These financial statements do not reflect this dividend payable.

Dividends Tax (DT)

DT is a tax imposed on shareholders at a rate of 20% on receipt of dividends. The DT is categorised as a withholding tax, as the tax is withheld and paid to the South African Revenue Services by the company paying the dividend or by a regulated intermediary and not the person liable for the tax.

Notes to the group financial statements (continued)

6. Business combinations

Common control transactions

Business combinations involving entities or businesses under common control are excluded from the scope of IFRS 3 "Business Combinations". A business combination involving entities or businesses under common control is defined in IFRS 3 as "a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory."

The "predecessor values" method is used to account for common control transactions. The "predecessor values" method requires financial statements to be prepared using predecessor book values without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are recorded as an adjustment to equity as a common control reserve. No additional goodwill is created by the transaction.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method to account for business combinations. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. The group applied the non-controlling interest's proportionate share of the acquiree's net assets when recognising the non-controlling interest in the acquiree.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; and gains or losses arising from such re-measurement are recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as equity transactions, that is, as transactions with the owners in their capacity as owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

Any difference between the purchase consideration and the carrying value of the net assets acquired is recognised in equity against retained earnings. The gains and losses on disposals to non-controlling interests are also recorded in equity against retained earnings.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate or joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

6. Business combinations (continued)

Acquisitions made during the financial period
Bauba Resources Limited ("Bauba")

On 29 March 2021, the group, through its subsidiary Raubex (Pty) Ltd, acquired 147 811 073 shares of Bauba for R54.7 million. This acquisition amounts to a 23.08% shareholding in Bauba and represents a significant influence in terms of IAS 28 and the group's interest in Bauba was accounted for using the equity method. Pursuant to a claw back offer made by Bauba to raise additional capital during the year, the group acquired an additional 41 734 851 shares for R13.4 million. Raubex (Pty) Ltd underwrote the claw back offer which resulted in an additional percentage being obtained due to some shareholders not taking up their offers. The group's shareholding moved from 23.08% to 26.39% subsequent to the claw back offer effective 1 December 2021. The group's ownership still represented significant influence, in terms of IAS 28. R3.3 million in transaction costs were capitalised to the cost of the investment in associate.

On 31 January 2022, with approval from the competition commission, the group acquired an additional 185 217 699 shares of Bauba, from existing shareholders, for R68.9 million. This resulted in the group's effective shareholding increasing to 51.09%. The group is deemed to exercise control in terms of IFRS 10 effective 31 January 2022. Bauba has been consolidated as part of the group since 31 January 2022.

Bauba is a mining company listed on the JSE, with various mineral reserves under licence. This acquisition will afford the group the opportunity to participate in materials handling and processing opportunities for Bauba's open cast mining operations in the future. Bauba also has the potential to further diversify the group's operations through its mining operations.

The goodwill has been allocated to the materials operating segment and is attributable to the business diversification options Bauba presents to the group, synergies that are expected to arise from integrating Bauba into the materials division and the nature and geographical location of the mineral reserves under license.

The goodwill, intangible and tangible asset values represented below are provisional, as the acquisition was completed close to the end of the group's reporting date. The fair values are expected to be finalised within 12 months of the acquisition date and any resulting adjustments will be accounted for against goodwill.

Details of the purchase consideration and provisional fair value of net assets acquired are set out below:

	2022
Consideration	**R'000**
Fair value of previously held shares prior to control transaction	68 601
Cash consideration	68 996
Total Consideration	**137 597**
Recognised amounts of identifiable assets and acquired liabilities assumed	
Property, plant and equipment	508 712
Right-of-use assets	102 945
Intangible assets	20 161
Inventories	88 464
Trade and other receivables	49 572
Cash & cash equivalents	3 028
Deferred tax asset	90 122
Deferred tax liability	(70 386)
Borrowings	(157 968)
Lease liabilities	(91 951)
Provisions	(6 038)
Trade and other payables	(276 680)
Total identifiable net assets	**259 981**
Non-controlling interest	(127 160)
Goodwill attributable to owners of the parent	4 776
Total	**137 597**

The acquisition of Bauba was made in stages, therefore the equity interest in Bauba of 26.39% was remeasured to fair value immediately before the share purchase that resulted in the group obtaining control over Bauba, with the remeasurement profit being recognised in profit or loss.

Carrying value of initial 26.39% equity interest immediately before additional share acquisition	(59 150)
Acquisition date fair value	68 601
Remeasurement profit on equity interest held (note 14)	**9 451**
Total purchased consideration settled in cash	68 996
Less: cash and cash equivalents in the business combination acquired	(3 028)
Cash outflow on acquisition for cash flow statement	**65 968**

Total cash outflow split as follows under cash flows from investing activities in the cash flow statement:

Acquisition of associates	71 441
Acquisition of subsidiaries	65 968

6. Business combinations (continued)

Acquisitions made during the financial period (continued)
Bauba Resources Limited ("Bauba") (continued)

The fair value of trade and other receivables is R49.6 million which is the same as the gross contractual amount. The full amount is expected to be recoverable.

The revenue included in the consolidated income statement since 31 January 2022 contributed by Bauba was R21.6 million with a net loss contribution of R5.4 million over the same period. Had Bauba been consolidated from the beginning of the year, Bauba would have contributed revenue of R333.4 million and a net loss of R66.4 million.

Syiaka Specialised Services (Pty) Ltd ("Syiaka")

Effective 3 March 2021, the group effectively acquired 49% share of Syiaka, through its materials division subsidiary B&E International (Pty) Ltd for R280 000. The revenue included in the consolidated income statement since 3 March 2021 contributed by Syiaka was R27.5 million with a net profit contribution of R1.5 million over the same period. The group exercises controls over Syiaka, refer to note 44 for IFRS 10 considerations made in this regard. Details of the net assets acquired, purchase consideration and goodwill are set out below:

	2022
Consideration	**R'000**
Cash consideration	**280**
Total Consideration	**280**
Recognised amounts of identifiable assets and acquired liabilities assumed	
Property, plant and equipment	**3 724**
Deferred tax asset	**71**
Trade and other receivables	**6 988**
Cash & cash equivalents	**2 431**
Borrowings	**(3 775)**
Deferred tax liability	**(358)**
Current tax payable	**(286)**
Trade and other payables	**(8 903)**
Total identifiable net assets	**(108)**
Non-controlling interest	**55**
Goodwill attributable to owners of the parent	**333**
Total	**280**
Total purchased consideration settled in cash	**280**
Less: cash and cash equivalents in the business combination acquired	**(2 431)**
Cash inflow on acquisition for cash flow statement	**(2 151)**

Disposals
Lime Sales Limited ("Lime Sales")

Effective 31 December 2021, the group disposed of its 74% shareholding in Lime Sales for R19.0 million.

Cash consideration received	**19 000**
Net value of assets and liabilities disposed of	**(23 524)**
Loss on disposal of subsidiary (note 32)	**(4 524)**
Total consideration received in cash	**19 000**
Less: cash and cash equivalents disposed of	**(3 815)**
Cash inflow on disposal for cash flow statement	**15 185**

Transactions with non-controlling interests

Acquisitions

Westforce Construction (Pty) Ltd ("Westforce")
On 1 March 2021, the group acquired an additional 10% Westforce shares from a non-controlling shareholder for R19.3 million cash. This transaction increased the group's shareholding from 70% to 80%. A further amount is payable to the non-controlling shareholder contingent on the average performance of Westforce over the 3 year period from 1 March 2019 to 28 February 2022. Refer to note 23 for further details.

Raubex Construction (Pty) Ltd (Australia) ("Raubex Construction Australia")
On 1 March 2021, the group acquired an additional 2% of Raubex Construction Australia's shares from non-controlling shareholders via a restructuring transaction. This transaction increased the group's shareholding from 68% to 70% costing R0.9 million.

Refer to note 44 - Interest in subsidiaries for the full list of subsidiaries, together with the aggregation of all subsidiaries with non-controlling interests in the group and the group's consideration of control.

Notes to the group financial statements (continued)

7. Financial instruments

Classification

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instruments. The group classifies its financial instruments into the following categories depending on the purpose for which the instrument was acquired. Management determines the classification at the time of initial recognition:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss (FVPL).

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the consolidated statement of profit and loss. Refer to the relevant notes, referenced below, for the recognition and subsequent measurement principles of each of the group's financial instruments.

No financial instruments were designated as held at fair value through profit or loss during the year. All financial instruments held at fair value through profit and loss are default classifications in terms of IFRS 9.

The group has designated its investments in service concessions and equity investments (other financial assets) as held at fair value through other comprehensive income. These are equity investments which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. Furthermore, these are strategic investments and the group considers this classification to be more relevant.

Derecognition

Financial instruments are derecognised when substantially all risks and rewards of ownership have been transferred.

Financial assets or a portion thereof are derecognised when the group`s contractual rights to the cash flows expire or when the group transfers all the risks and rewards related to the financial asset or when the group loses control of the financial asset. Financial liabilities or a portion thereof are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

Notes to the group financial statements (continued)

7. Financial instruments (continued)

Categories of financial instruments

Financial instruments comprise the following in the statement of financial position:

	Note	Financial assets at amortised cost R'000	Financial assets at fair value through p/l R'000	Financial assets at fair value through oci R'000	Financial liabilities at amortised cost R'000	Financial liabilities at fair value through p/l R'000	Total carrying value R'000
At 28 February 2021							
Loans to associates and joint ventures	14	50 904	-	-	-	-	50 904
Investment in service concessions	15	-	-	22 755	-	-	22 755
Non-current trade and other receivables	18	13 555	-	-	-	-	13 555
Other financial assets	20	150 199	44 912	-	-	-	195 111
Trade and other receivables	18	1 267 851	-	-	-	-	1 267 851
Cash and cash equivalents	19	1 891 636	-	-	-	-	1 891 636
Borrowings	21	-	-	-	(795 195)	-	(795 195)
Other financial liabilities	23	-	-	-	(79 969)	(36 571)	(116 540)
Trade and other payables	24	-	-	-	(1 372 706)	-	(1 372 706)
Total		3 374 145	44 912	22 755	(2 247 870)	(36 571)	1 157 371
At 28 February 2022							
Loans to associates and joint ventures	14	**9 526**	**-**	**-**	**-**	**-**	**9 526**
Investments in service concessions	15	**-**	**-**	**23 153**	**-**	**-**	**23 153**
Non-current trade and other receivables	18	**13 516**	**-**	**-**	**-**	**-**	**13 516**
Other financial assets	20	**170 671**	**71 536**	**90 977**	**-**	**-**	**333 184**
Trade and other receivables	18	**1 884 234**	**-**	**-**	**-**	**-**	**1 884 234**
Cash and cash equivalents	19	**1 504 801**	**-**	**-**	**-**	**-**	**1 504 801**
Borrowings	21	**-**	**-**	**-**	**(959 891)**	**-**	**(959 891)**
Other financial liabilities	23	**-**	**-**	**-**	**(71 270)**	**(39 548)**	**(110 818)**
Trade and other payables	24	**-**	**-**	**-**	**(1 785 199)**	**-**	**(1 785 199)**
Total		**3 582 748**	**71 536**	**114 130**	**(2 816 360)**	**(39 548)**	**912 506**

The trade and other receivables and trade and other payables disclosed in the above tables exclude the non-financial assets and liabilities carried on the statement of financial position.

The total value of non-financial assets excluded from trade and other receivables is R97.8 million (2021: R90.9 million) and the total value of non-financial liabilities excluded from trade and other payables is R81.8 million (2021: R62.9 million).

Notes to the group financial statements (continued)

7. Financial instruments (continued)

Categories of financial instruments (continued)

	Note	Total carrying value R'000	Total Fair value R'000	Explanation note
At 28 February 2021				
Loans to associates and joint ventures	14	50 904	50 904	a
Investment in service concessions	15	22 755	22 755	b
Non-current trade and other receivables	18	13 555	13 555	c
Other financial assets	20	195 111	195 111	d
Trade and other receivables	18	1 267 851	1 267 851	c
Cash and cash equivalents	19	1 891 636	1 891 636	e
Borrowings	21	(795 195)	(795 195)	f
Other financial liabilities	23	(116 540)	(116 540)	g
Trade and other payables	24	(1 372 706)	(1 372 706)	h
Total		1 157 371	1 157 371	
At 28 February 2022				
Loans to associates and joint ventures	**14**	**9 526**	**9 526**	a
Investments in service concessions	**15**	**23 153**	**23 153**	b
Non-current trade and other receivables	**18**	**13 516**	**13 516**	c
Other financial assets	**20**	**333 184**	**333 184**	d
Trade and other receivables	**18**	**1 884 234**	**1 884 234**	c
Cash and cash equivalents	**19**	**1 504 801**	**1 504 801**	e
Borrowings	**21**	**(959 891)**	**(959 891)**	f
Other financial liabilities	**23**	**(110 818)**	**(110 818)**	g
Trade and other payables	**24**	**(1 785 199)**	**(1 785 199)**	h
Total		**912 506**	**912 506**	

a Loans to associates and joint ventures are carried at their present values and bear interest at market related rates, they therefore are deemed to approximate their fair value.

b Investments in service concessions are carried at fair value through other comprehensive income, refer to note 15 where any significant unobservable inputs have been disclosed in this regard.

c Non-current trade and other receivables relates to the non-current portion of receivables under finance leases. The carrying value of receivables under finance lease is deemed to approximate its fair value as the interest rate applicable to the lease is similar to that of current market rates. The carrying value of trade and other receivables approximates their fair value due to the short term nature of these instruments. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are recognised initially at the amount of consideration that is unconditional.

d Other financial assets are either carried at fair value through profit and loss or at amortised cost, refer to note 20 where any significant unobservable inputs have been disclosed.

e Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, they therefore approximate fair value. These are subject to an insignificant risk of changes in value.

f Borrowings are made up of bank borrowings, loans from related parties and unsecured loans.

Bank borrowings and loans from related parties are held at amortised cost and calculated using the specific fixed terms of the agreements in place. Refer to note 21 for the average remaining loan term and interest rates applicable at year end. The carrying value of bank borrowings is deemed to approximate its fair value due to the fact that the interest rates applicable are similar to that of current market rates.

Unsecured loans are held at amortised cost, these loans are interest free and have no fixed terms of repayment. The effects of discounting are not significant if discounted using current market rates over a 12 month period. Therefore the carrying value is deemed to equal fair value.

g Other financial liabilities are either carried at fair value through profit and loss or at amortised cost, refer to note 23 where any significant unobservable inputs have been disclosed in this regard.

h Trade payables are held at amortised cost and the impact of discounting is deemed to not be significant based on their short term nature. Therefore the carrying value of trade and other payables is deemed to approximate its fair value.

Notes to the group financial statements (continued)

7. Financial instruments (continued)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2022:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Liabilities				
At 28 February 2021				
Financial liabilities at fair value through profit or loss				
Contingent considerations	-	-	36 571	36 571
Total liabilities	-	-	36 571	36 571
At 28 February 2022				
Financial liabilities at fair value through profit or loss				
Contingent considerations	**-**	**-**	**22 742**	**22 742**
Foreign exchange contract	**-**	**16 806**	**-**	**16 806**
Total liabilities	**-**	**16 806**	**22 742**	**39 548**
Assets				
At 28 February 2021				
Financial assets at fair value through profit or loss				
Preference shares	-	-	44 912	44 912
Financial assets at fair value through other comprehensive income				
Investments in service concessions	-	-	22 755	22 755
Total assets	-	-	67 667	67 667
At 28 February 2022				
Financial assets at fair value through profit or loss				
Preference shares	**-**	**-**	**49 771**	**49 771**
Foreign exchange contract	**-**	**21 765**	**-**	**21 765**
Financial assets at fair value through other comprehensive income				
Equity investments	**90 977**	**-**	**-**	**90 977**
Investments in service concessions	**-**	**-**	**23 153**	**23 153**
Total assets	**90 977**	**21 765**	**72 924**	**185 666**

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1
The following table presents the changes in Level 1 instruments for the year ended 28 February 2022:

Assets	Note	Equity investments R'000	Total R'000
Year ended 28 February 2022			
Opening balance		**-**	**-**
Acquired during the year	20	**65 288**	**65 288**
Foreign exchange effects recognised in equity	20	**1 949**	**1 949**
Fair value adjustment recognised in other comprehensive income	20	**23 740**	**23 740**
Closing balance		**90 977**	**90 977**

See note 20 for disclosures relating to the measurement of the equity investments.

Notes to the group financial statements (continued)

7. Financial instruments (continued)

Fair value estimation (continued)

(b) Financial instruments in level 2
The following table presents the changes in Level 2 instruments for the year ended 28 February 2022:

	Note	Foreign exchange contract R'000	Total R'000
Assets			
Year ended 28 February 2022			
Opening balance		**-**	**-**
Fair value adjustment recognised in profit or loss	20	**21 765**	**21 765**
Closing balance		**21 765**	**21 765**
Liabilities			
Year ended 28 February 2022			
Opening balance		**-**	**-**
Fair value adjustment recognised in profit or loss	23	**16 806**	**16 806**
Closing balance		**16 806**	**16 806**

See note 20 and 23 for disclosures relating to the measurement of the foreign exchange contracts.

(c) Financial instruments in level 3
The following table presents the changes in Level 3 instruments for the year ended 28 February 2022:

	Note	Contingent considerations R'000	Total R'000
Liabilities			
Year ended 28 February 2021			
Opening balance		42 370	42 370
Fair value adjustment recognised in profit or loss	23	(5 799)	(5 799)
Closing balance		36 571	36 571
Year ended 28 February 2022			
Opening balance		**36 571**	**36 571**
Arising from acquisition of shares from non-controlling interest	23	**1 465**	**1 465**
Fair value adjustment recognised in profit or loss	23	**(15 294)**	**(15 294)**
Closing balance		**22 742**	**22 742**

See note 23 for disclosures relating to the measurement of the contingent considerations.

	Note	Investment in service concession R'000	Preference shares R'000	Total R'000
Assets				
Year ended 28 February 2021				
Opening balance		-	41 028	41 028
Investment made during the year	15	22 755	-	22 755
Fair value adjustment recognised in profit or loss	32	-	3 884	3 884
Closing balance		22 755	44 912	67 667
Year ended 28 February 2022				
Opening balance		**22 755**	**44 912**	**67 667**
Foreign exchange effects recognised in equity		**398**	**-**	**398**
Fair value adjustment recognised in profit or loss	32	**-**	**4 859**	**4 859**
Closing balance		**23 153**	**49 771**	**72 924**

See note 15 and note 20 for disclosures relating to the measurement of the investment in service concession and preference shares respectively.

Notes to the group financial statements (continued)

8. Financial risk management

The group's activities expose it to a variety of financial risks, refer to the table below:

Risk	Exposure arising from	Measurement	Management
Market Risk - Foreign exchange	Financial assets and liabilities denominated in foreign currencies.	Sensitivity Analysis	Foreign exchange risk policies and forward or foreign exchange contracts if required.
Market Risk - Cash flow interest rate	Long term borrowing at variable rates and interest bearing cash reserves.	Sensitivity Analysis	Pre-set borrowing targets.
Market Risk - Price	The group holds a number of strategic equity investments that are publicly traded, however due to the fact that these are not held as available for sale and are held at FVOCI, the exposure is limited and does not affect the profitability of the group.	Listed price assessment	The group assess the listed prices of its equity investments where applicable but due to strategic nature of the investment the risk is considered low as these are not held for trading or for generating market returns.
Credit risk	Cash and cash equivalents, trade receivables, loans receivable and receivables under finance lease and contract assets.	Credit ratings Age analysis	Credit application controls in place. Only credible financial institutions are used, delayed payments are managed and payment guarantees are obtained.
Liquidity risk	Borrowings, lease liabilities and other liabilities.	Rolling cash flow forecasts	Overdraft and credit facilities available to the group. Excess cash balances are maintained above current trading requirements.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the group's executive committee (Exco) under approval by the board of directors. Exco identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides principles for overall risk management.

Financial risk factors
(a) Market risk

(i) Foreign exchange risk

The group operates across Sub-Saharan Africa and Australia and is exposed to foreign exchange risk arising from currency exposures. Foreign exchange risk also arises from recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy that requires group companies to manage their foreign exchange risk against their functional currency. To manage foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group would consider using, if necessary, forward or foreign exchange contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Currency exposure arising from the net assets of the group's foreign operations is managed primarily through managing the foreign asset base. The group also has currency exposure to cash denominated in foreign currency that arises from time to time from operations in foreign countries. This risk is managed through the use of foreign exchange contracts, where applicable, which mitigates the risks associated with the strengthening of the Rand against any foreign currency held in cash.

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The carrying amount of the group's foreign currency denominated monetary assets and liabilities at year end is as follows:

Year ended 28 February 2021	Note	South African Rand and Namibian Dollar* R'000	Australian Dollar R'000	Botswana Pula R'000	Central African Franc (Cameroon) R'000	Euro R'000	Mozambican Metical R'000	US Dollar R'000	Zambian Kwacha R'000	Total R'000
Non-current assets										
Trade and other receivables	18	13 555	-	-	-	-	-	-	-	13 555
Current assets										
Contract assets	17	201 249	61 220	-	-	-	27 523	34 846	-	324 838
Trade and other receivables	18	1 126 326	116 176	22 477	849	-	39	1 943	41	1 267 851
Cash and cash equivalents	19	1 365 815	134 824	63 756	1 629	(7 584)	803	330 738	1 655	1 891 636
Total monetary assets		2 706 945	312 220	86 233	2 478	(7 584)	28 365	367 527	1 696	3 497 880
Non-current liabilities										
Borrowings	21	336 177	58 587	2 258	-	-	-	-	-	397 022
Current liabilities										
Borrowings	21	353 229	42 938	2 006	-	-	-	-	-	398 173
Contract liabilities	17	248 429	63 830	-	-	-	-	354 361	-	666 620
Trade and other payables	24	1 153 246	151 025	37 138	22 682	-	6 337	1 922	356	1 372 706
Total monetary liabilities		2 091 081	316 380	41 402	22 682	-	6 337	356 283	356	2 834 521
Net monetary assets/(liabilities) at year end		615 864	(4 160)	44 831	(20 204)	(7 584)	22 028	11 244	1 340	663 359

** No exchange risk exists between the South African Rand and the Namibian Dollar, as the exchange rate is pegged at 1:1.*

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The carrying amount of the group's foreign currency denominated monetary assets and liabilities at year end is as follows:

Year ended 28 February 2022	Note	South African Rand and Namibian Dollar* R'000	Australian Dollar R'000	Botswana Pula R'000	Central African Franc (Cameroon) R'000	Euro R'000	Mozambican Metical R'000	US Dollar R'000	Zambian Kwacha R'000	Total R'000
Non-current assets										
Trade and other receivables	18	**13 516**	-	-	-	-	-	-	-	**13 516**
Current assets										
Contract assets	17	**386 449**	**74 709**	-	-	-	-	-	-	**461 158**
Trade and other receivables	18	**1 566 278**	**126 587**	**37 371**	**294**	-	**254**	**153 127**	**323**	**1 884 234**
Cash and cash equivalents	19	**804 833**	**227 525**	**36 468**	**3 856**	**7 687**	**207**	**420 232**	**3 993**	**1 504 801**
Total monetary assets		**2 771 076**	**428 821**	**73 839**	**4 150**	**7 687**	**461**	**573 359**	**4 316**	**3 863 709**
Non-current liabilities										
Borrowings	21	**481 234**	**36 145**	-	-	-	-	**40 199**	-	**557 578**
Current liabilities										
Borrowings	21	**310 579**	**33 992**	-	-	-	-	**57 742**	-	**402 313**
Contract liabilities	17	**555 257**	**28 240**	-	-	-	-	**354 361**	-	**937 858**
Trade and other payables	24	**1 531 714**	**186 666**	**18 554**	**8 936**	-	**24 241**	**14 716**	**372**	**1 785 199**
Total monetary liabilities		**2 878 784**	**285 043**	**18 554**	**8 936**	-	**24 241**	**467 018**	**372**	**3 682 948**
Net monetary assets/(liabilities) at year end		**(107 708)**	**143 778**	**55 285**	**(4 786)**	**7 687**	**(23 780)**	**106 341**	**3 944**	**180 761**

** No exchange risk exists between the South African Rand and the Namibian Dollar, as the exchange rate is pegged at 1:1.*

The trade and other receivables and trade and other payables disclosed in the above tables exclude the non-financial assets and liabilities carried on the statement of financial position.

The total value of non-financial assets excluded from trade and other receivables is R97.8 million (2021: R90.9 million) and the total value of non-financial liabilities excluded from trade and other payables is R81.8 million (2021: R62.9 million).

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

A sensitivity analysis has been performed to monitor the financial effect of changes in foreign exchange rates. The analysis below depicts the impact of an appreciation and depreciation of 10% in the average value of the Rand for the year would have on the overall operating profit of the Group :

Year ended 28 February 2021	Change in exchange rate	Increase/(decrease) in operating profit of the group due to a depreciation of the Rand R'000	Increase/(decrease) in operating profit of the group due to an appreciation of the Rand R'000
Net increase/(decrease) in group operating profit		1 967	(1 967)
Australian Dollar	10%	7 428	(7 428)
Botswana Pula	10%	6 441	(6 441)
Central African Franc (Cameroon)	10%	(11 210)	11 210
Mozambique Metical	10%	(977)	977
US Dollar	10%	82	(82)
Zambian Kwacha	10%	203	(203)
Year ended 28 February 2022			
Net increase/(decrease) in group operating profit		**45 980**	**(45 980)**
Australian Dollar	10%	**17 747**	**(17 747)**
Botswana Pula	10%	**7 459**	**(7 459)**
Central African Franc (Cameroon)	10%	**845**	**(845)**
Mozambique Metical	10%	**(3 555)**	**3 555**
US Dollar	10%	**21 109**	**(21 109)**
Zambian Kwacha	10%	**2 375**	**(2 375)**

(ii) Price risk

The group holds a number of strategic equity investments that are publicly traded, however due to the fact that these are not held as available for sale and are held at FVOCI, the exposure is limited. Refer to sensitivity analysis in note 20.

(iii) Cash flow interest rate risk

The group has significant interest-bearing assets in the form of cash and cash equivalents. The group's finance income cash flows are exposed to interest rate risk and are dependent on market interest rates *(refer sensitivity analysis below).*

The group's interest rate risk also arises from long-term borrowings. Borrowings are issued at variable rates and expose the group to interest rate fluctuation risk. The group manages this risk by maintaining borrowing levels at pre-set targets to be able to absorb any drastic rate increases.

Interest rate risk - Sensitivity analysis

Interest rate risk is presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expenses and, if appropriate, shareholders equity. A one percentage point movement in the prime interest rate would have the following effect on post-tax profit for the year:

	2022		2021	
	1%	**-1%**	1%	-1%
	R'000	**R'000**	R'000	R'000
Cash and cash equivalents	**10 835**	**(10 835)**	13 620	(13 620)
Bank borrowings	**(6 116)**	**6 116**	(5 650)	5 650
Loans to joint ventures and associates (note 14 and 18)	**89**	**(89)**	367	(367)
Increase/(decrease) in profitability	**4 808**	**(4 808)**	8 337	(8 337)

8. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial losses to the group. The group defines a default on a financial asset as being when the counterparty to the contract fails to make contractual payments within 30 days of when they fall due.

Covid-19 had no material impact on the recovery of accounts receivable during the year but it continues to be monitored as part of the group's credit risk management procedures as mentioned below.

Cash and cash equivalents - The group has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used.

Trade receivables (including receivables under finance lease) and contract assets - Credit risk is managed on a group basis. Credit risk is managed by performing credit checks on customers and setting credit limits where necessary. The financial position of customers is monitored on an ongoing basis and where appropriate, use is made of payment guarantees. Delayed payment of accounts is actively managed by the group and policies are in place to ensure that sales are made to customers with appropriate credit history.

Loans to associates and joint ventures - The group monitors its credit exposure to loans advanced to associates and joint ventures on an ongoing basis by assessing the associate or joint ventures financial position at reporting date. The group also assess the applicable forecasts and order books.

The group's customers are concentrated primarily in South Africa, but also exist in the rest of Africa and Australia (refer note 18). The majority of the customers are concentrated in the public, industrial and resource sector. Refer to the concentration of customers below:

Trade and other receivables	Gross carrying value R'000	Loss allowance R'000	Net carrying value R'000	% of total
For the year ended 28 February 2021				
South African National Road Agency	130 816	(484)	130 332	10.2
South African Provincial and Municipal Government	299 493	(5 382)	294 111	23.0
South African Private Sector	731 931	(92 778)	639 153	49.9
Rest of Africa Public sector	127 917	(23 363)	104 554	8.2
Rest of Africa Private sector	30	-	30	-
Australia Public Sector	46 090	-	46 090	3.6
Australia Private Sector	67 136	-	67 136	5.2
Total trade and other receivables (note 18)	1 403 413	(122 007)	1 281 406	100
For the year ended 28 February 2022				
South African National Road Agency	**266 327**	**(3 252)**	**263 075**	**13.9**
South African Provincial and Municipal Government	**420 416**	**(5 074)**	**415 342**	**21.9**
South African Private Sector	**951 122**	**(107 434)**	**843 688**	**44.5**
Rest of Africa Public sector	**34 933**	**(11 322)**	**23 611**	**1.2**
Rest of Africa Private sector	**229 105**	**(3 658)**	**225 447**	**11.9**
Australia Public Sector	**33 669**	**-**	**33 669**	**1.8**
Australia Private Sector	**92 918**	**-**	**92 918**	**4.9**
Total trade and other receivables (note 18)	**2 028 490**	**(130 740)**	**1 897 750**	**100**

The total value of non-financial assets excluded from trade and other receivables is R97.8 million (2021: R90.9 million).

Contract assets	Gross carrying value R'000	Loss allowance R'000	Net carrying value R'000	% of total
For the year ended 28 February 2021				
South African National Road Agency	43 868	(154)	43 714	13.5
South African Provincial and Municipal Government	95 335	(2 410)	92 925	28.6
South African Private Sector	77 378	(3 668)	73 710	22.6
Rest of Africa Public sector	-	-	-	-
Rest of Africa Private sector	61 619	(324)	61 295	18.9
Australia Public Sector	45 825	-	45 825	14.1
Australia Private Sector	7 369	-	7 369	2.3
Total contract assets (note 17)	331 394	(6 556)	324 838	100
For the year ended 28 February 2022				
South African National Road Agency	**152 449**	**(1 738)**	**150 711**	**32.7**
South African Provincial and Municipal Government	**129 331**	**(3 426)**	**125 905**	**27.3**
South African Private Sector	**112 659**	**(4 065)**	**108 594**	**23.5**
Rest of Africa Public sector	**49**	**(1)**	**48**	**-**
Rest of Africa Private sector	**34 456**	**(33 265)**	**1 191**	**0.3**
Australia Public Sector	**7 950**	**-**	**7 950**	**1.7**
Australia Private Sector	**66 759**	**-**	**66 759**	**14.5**
Total contract assets (note 17)	**503 653**	**(42 495)**	**461 158**	**100**

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Other financial assets only consist of South African and Rest of Africa private sector customers, refer to note 20 for further details.

Impairment of financial assets

The group's financial assets are subject to the expected credit loss model.

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

To measure the expected credit losses, trade receivables and contract assets have been grouped together based on their similar credit risk characteristics and the days past due. The contract assets relate to retentions and unbilled work in progress on contracts with customers which have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the revenue payment profiles over the 12 month period before 1 March 2021 together with the corresponding historical credit losses experienced within these periods per customer classification. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP's, inflation rates, prime lending rates, US dollar exchange rates and the credit ratings of the countries in which it operates to be the most relevant factors, and has accordingly adjusted the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are credit impaired when factors and circumstances exist that have a detrimental impact on the estimated future cash flows of these financial assets. Such factors and circumstances include significant financial difficulty of a customer, breach of contract by a customer or for economic or contractual reasons relating to a customer's financial difficulty.

The expected credit losses on loans to associates and joint ventures are based on the associate or joint venture's ability to repay the loan on demand at the end of the reporting period, due to there being no fixed repayment terms on the loans. Should insufficient evidence support the repayment of the loan, a loss allowance is raised on the difference between the outstanding loan and the expected access to liquid capital.

In addition to the above, the group considers the impact of Covid-19 on its customer base and adjusts its expected credit loss rates where necessary. The group currently considers the risk to be low due to the limited impact on the recoverability of debtors over the last year. The level of risk is reassessed on a continuous basis.

The loss allowance for trade and other receivables and contract assets at year end reconcile to the opening loss allowances as follows:

Trade and other receivables	**Current and past due R'000**	**Credit Impaired R'000**	**Total R'000**
Opening balance at 1 March 2020	15 707	221 979	237 686
Exchange differences	12	91	103
Current year loss allowance	1 865	61 206	63 071
Amounts written off during the year as uncollectible**	(910)	(158 088)	(158 998)
Unused amounts reversed	(10 211)	(9 644)	(19 855)
Closing balance at 28 February 2021 (refer to note 18)	6 463	115 544	122 007
Opening balance at 1 March 2021	**6 463**	**115 544**	**122 007**
Exchange differences	**2**	**(103)**	**(101)**
Acquisition of subsidiaries	**48**	**-**	**48**
Disposal of subsidiary	**(39)**	**-**	**(39)**
Current year loss allowance	**25 420**	**23 680**	**49 100**
Amounts written off during the year as uncollectible*	**(388)**	**(28 449)**	**(28 837)**
Unused amounts reversed	**(1 737)**	**(9 701)**	**(11 438)**
Closing balance at 28 February 2022 (refer to note 18)	**29 769**	**100 971**	**130 740**

** Loss allowance reversal relates to receivables of R22.2 million which were written off during the year and relate to debt owed by Douala Retail and Convention Centre Limited (Rest of Africa Private sector customer classification) for which a provision had previously been made.*
*** Loss allowance reversal in the prior year relates to receivables of R161.1 million which were written off during the year and relates mainly to debt owed by the Zambian Roads Agency (Rest of Africa Public sector customer classification) for which a provision had previously been made.*

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Contract assets	**Current and past due R'000**	**Credit Impaired R'000**	**Total R'000**
Opening balance at 1 March 2020	2 439	22 822	25 261
Exchange differences	(38)	-	(38)
Current year loss allowance	621	1 476	2 097
Amounts written off during the year as uncollectible**	(87)	(16 285)	(16 372)
Unused amounts reversed	(1 929)	(2 463)	(4 392)
Closing balance at 28 February 2021 (refer to note 17)	1 006	5 550	6 556
Opening balance at 1 March 2021	**1 006**	**5 550**	**6 556**
Exchange differences	**50**	**-**	**50**
Current year loss allowance*	**3 516**	**33 247**	**36 763**
Amounts written off during the year as uncollectible	**(237)**	**-**	**(237)**
Unused amounts reversed	**(637)**	**-**	**(637)**
Closing balance at 28 February 2022 (refer to note 17)	**3 698**	**38 797**	**42 495**

** R33.2 million of the current year loss allowance relates to the development of a railway line in Mozambique for which uncertainty exists over the recoverability of the contract asset due to the continued suspension of the project. The contract asset is pre-crushed ballast not yet collected by the client.*
*** Loss allowance reversal in the prior year relates to contract assets of R16,4 million which were written off during the prior year and relate mainly to a retention owed by the Zambian Roads Agency for which a provision had previously been made. The contract assets are still subject to enforceability.*

In determining the recoverability of trade and other receivables and contract assets, the group considers, amongst others, the frequency of payments, the financial performance of the relevant parties and any contractual agreements that might be in place. If there is no reasonable expectation of recovery then the trade receivable or contract asset is written off. Where receivables or contract assets are written off, it is group policy to continue to engage in enforcement activity in order to attempt to recover the receivable due. Refer to note 17 and 18 for amounts written off during the year. When recoveries are made, these are included in profit and loss.

For all other financial assets held at amortised cost there has been no significant increase in credit risk, therefore the ECL has been measured according to the 12 month expected credit loss which is considered immaterial.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset as disclosed in note 7.

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash. The group also has overdraft and credit facilities available to it.

Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flow. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount R'000	Contractual cash flows* R'000	Within 1 year R'000	2 to 5 years R'000	5 years and later R'000
Year ended 28 February 2021					
Non-derivative financial liabilities					
Borrowings	784 764	836 988	421 341	396 266	19 381
Loans from related parties	2 486	2 486	2 486	-	-
Lease liabilities	381 880	560 170	59 968	215 516	284 686
Other financial liabilities	116 540	143 460	15 000	98 460	30 000
Trade and other payables	1 372 706	1 372 706	1 372 706	-	-
Total	2 658 376	2 915 810	1 871 501	710 242	334 067
Year ended 28 February 2022					
Non-derivative financial liabilities					
Borrowings	**849 394**	**911 304**	**370 904**	**540 400**	**-**
Loans from related parties	**110 497**	**120 149**	**77 057**	**43 092**	**-**
Lease liabilities	**455 722**	**637 490**	**97 317**	**268 628**	**271 545**
Other financial liabilities	**94 012**	**113 769**	**28 717**	**70 052**	**15 000**
Trade and other payables	**1 785 199**	**1 785 199**	**1 785 199**	**-**	**-**
Total	**3 294 824**	**3 567 911**	**2 359 194**	**922 172**	**286 545**

* The amounts disclosed are the contractual undiscounted cash flows.

Trade and other payables are expected to be settled within 3 months after year end. The other liabilities in the table will be settled evenly over the time periods indicated above.

The trade and other payables disclosed in the table excludes the non-financial liabilities in trade and other payables carried on the statement of financial position at a value of R81.8 million (2021: R62.9 million).

The other financial liabilities disclosed above excludes the derivative financial liabilities (foreign exchange contract) in other financial liabilities carried on the statement of financial position at a value of R16.8 million (2021: R nil).

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 432.8 million (2021: R3 156.7 million).

These guarantees have been excluded from the maturity analysis above as the issuer has no contractual obligation to make payment at the balance sheet date and the directors do not believe that any exposure to loss is likely.

Notes to the group financial statements (continued)

9. Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio expressed as a percentage of net debt to total capital plus net debt is calculated below:

	2022 R'000	2021 R'000
Total borrowings (refer note 21)	**959 891**	795 195
Less: cash and cash equivalents (refer note 19)	**(1 504 801)**	(1 891 636)
Net debt	**(544 910)**	(1 096 441)
Total equity	**5 217 971**	4 674 224
Total capital and net debt	**4 673 061**	3 577 783
Gearing ratio	**(11.7%)**	(30.6%)

The group's current banking facilities are subject to the group maintaining certain bank defined gearing ratio of not more than 1.25. The gearing ratios for purposes of the debt covenants are calculated below:

	2022 R'000	2021 R'000
Borrowings (refer note 21)	**959 891**	795 195
Lease liabilities (refer note 12)	**455 722**	381 880
Other financial liabilities (refer note 23)	**110 818**	116 540
Trade and other payables (refer note 24)	**1 867 002**	1 435 652
Contract liabilities (refer note 17)	**937 858**	666 620
Current income tax liabilities	**67 842**	32 650
Defined debt/Total liabilities	**4 399 133**	3 428 537
Total equity	**5 217 971**	4 674 224
Less: Intangible assets (refer note 13)	**(999 984)**	(1 025 282)
Defined shareholders' funds	**4 217 987**	3 648 942
Bank defined debt covenant gearing ratios:		
Defined debt/Defined shareholders' funds	**1.04**	0.94
Total liabilities/Total equity	**0.84**	0.73

In addition to the above gearing ratios, a portion of these facilities are also subject the group maintaining a total debt to EBITDA ratio of below 2.5. The EBITDA ratio for this purpose is calculated as follows:

	2022 R'000	2021 R'000
Borrowings (refer note 21)	**959 891**	795 195
Lease liabilities (refer note 12)	**455 722**	381 880
Total debt	**1 415 613**	1 177 075
Operating profit	**945 316**	364 456
Add: Depreciation and amortisation	**434 454**	460 188
EBITDA	**1 379 770**	824 644
Total Debt/EBITDA	**1.03**	1.43

10. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. After initial recognition, property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings	50 years
- Mechanical workshops	10 - 20 years
- Mine infrastructure	Units-of-production
- Stripping assets	Units-of-production
- Mineral rights in production	Units-of-production
- Plant and machinery	5 - 20 years
- Vehicles	3 - 10 years
- Furniture, fittings and equipment	2 - 8 years

Aircraft is split into the following three components; air frame, engine and avionics. These components are depreciated based on the number of flight hours flown during the period to the total estimated number of flight hours. Aircrafts are disclosed under vehicles in the table below.

Mechanical workshops are included under land and buildings.

Commercial quarries are depreciated over the expected life of the mine on a unit of production basis and are disclosed under the land and buildings category.

Mine infrastructure assets relate to the costs capitalised for underground mine development. Mine development costs are those incurred in order to provide access to ore reserves and include costs incurred for the development of shaft systems and the removal of waste rock. Mine infrastructure assets are accounted for at cost less accumulated depreciation and accumulated impairment.

Stripping assets are derived from the cost of stripping activities undertaken for open cast mining operations. Stripping activities relates to the removal of mine waste materials (including overburden) necessary to gain access to the mineral ore deposits. The cost of stripping activities which provides a benefit in the form of improved access to ore is initially recognised as a non-current asset. The asset is initially measured at cost and subsequently carried at cost less depreciation using the units-of-production method. When the stripping activities improve access to ore extracted in the current period, the costs of production stripping are recognised in profit or loss as operating costs.

Mineral rights in production are initially recognised at cost if reclassified from exploration and evaluation resources or acquired externally, or at fair value, if acquired as part of a business combination. Expenditure on development activity is capitalised if the product or process is technically and commercially feasible, the company has sufficient resources to complete development, the company has the intention to complete and use or sell it, it is probable that future economic benefits relating to the asset will flow to the group and the cost can be measured reliably. The expenditure capitalised includes direct costs and attributable overhead costs. Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the associated mineral right.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date with reference to external valuations and confirmations supporting the reasonableness of estimates.

Impairment of property, plant and equipment

The group assesses the recoverability of property, plant and equipment when there is sufficient information to evidence an indicator of impairment. Expected cash flows are inherently uncertain and could change over time. They are affected by a number of factors including estimates of cost of production, sustaining capital expenditure and product markets. The assets were evaluated with reference to external market valuations, current economic conditions, current year similar asset disposal values and management estimates, including the cash flows expected to derive from these assets, if any, to support the reasonableness of carrying values as part of the assets' annual evaluation process. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the statement of profit or loss.

10. Property, plant and equipment (continued)

	Land and buildings R'000	Mine infra-structure R'000	Stripping assets R'000	Mineral rights in production R'000	Plant and machinery R'000	Vehicles R'000	Furniture, fittings and equipment R'000	Total R'000
At 29 February 2020								
Cost	205 120	-	-	-	3 824 654	755 621	81 682	4 867 077
Accumulated depreciation	(1 807)	-	-	-	(1 977 861)	(376 647)	(59 246)	(2 415 561)
Net book amount	203 313	-	-	-	1 846 793	378 974	22 436	2 451 516
Year ended 28 February 2021								
Opening net book amount	203 313	-	-	-	1 846 793	378 974	22 436	2 451 516
Exchange differences	5 907	-	-	-	3 815	1 215	242	11 179
Additions	17 566	-	-	-	356 349	36 668	6 572	417 155
Disposal of subsidiary	-	-	-	-	(4 202)	-	-	(4 202)
Disposals	-	-	-	-	(66 958)	(19 398)	(885)	(87 241)
Depreciation	(4 560)	-	-	-	(340 924)	(49 409)	(9 462)	(404 355)
Reclassification	3 330	-	-	-	4 456	(7 898)	112	-
Closing net book amount	225 556	-	-	-	1 799 329	340 152	19 015	2 384 052
At 28 February 2021								
Cost	231 986	-	-	-	3 946 392	719 593	82 538	4 980 509
Accumulated depreciation	(6 430)	-	-	-	(2 147 063)	(379 441)	(63 523)	(2 596 457)
Net book amount	225 556	-	-	-	1 799 329	340 152	19 015	2 384 052

	Land and buildings R'000	Mine infra-structure R'000	Stripping assets R'000	Mineral rights in production R'000	Plant and machinery R'000	Vehicles R'000	Furniture, fittings and equipment R'000	Total R'000
Year ended 28 February 2022								
Opening net book amount	**225 556**	**-**	**-**	**-**	**1 799 329**	**340 152**	**19 015**	**2 384 052**
Exchange differences	**(2 160)**	**-**	**-**	**-**	**(861)**	**(467)**	**(70)**	**(3 558)**
Acquisition of subsidiaries	**-**	**293 598**	**78 950**	**95 246**	**42 542**	**1 897**	**203**	**512 436**
Additions	**20 038**	**10 521**	**29 774**	**-**	**546 915**	**80 679**	**7 947**	**695 874**
Disposal of subsidiary (note 6)	**-**	**-**	**-**	**-**	**(7 700)**	**-**	**-**	**(7 700)**
Disposals	**(6 990)**	**-**	**-**	**-**	**(118 061)**	**(31 113)**	**(646)**	**(156 810)**
Depreciation	**(3 112)**	**(3 434)**	**-**	**(1 062)**	**(312 286)**	**(46 180)**	**(9 318)**	**(375 392)**
Reclassification	**-**	**-**	**-**	**-**	**(5 617)**	**-**	**-**	**(5 617)**
Closing net book amount	**233 332**	**300 685**	**108 724**	**94 184**	**1 944 261**	**344 968**	**17 131**	**3 043 285**
At 28 February 2022								
Cost	**251 531**	**343 252**	**108 724**	**95 246**	**4 280 959**	**747 990**	**76 093**	**5 903 795**
Accumulated depreciation	**(18 199)**	**(42 567)**	**-**	**(1 062)**	**(2 336 698)**	**(403 022)**	**(58 962)**	**(2 860 510)**
Net book amount	**233 332**	**300 685**	**108 724**	**94 184**	**1 944 261**	**344 968**	**17 131**	**3 043 285**

Aircraft with a book value of R41.7 million (2021: R56.7 million) have been included under vehicles.

Depreciation expense of R375.4 million (2021: R404.4 million) has been charged in cost of sales (refer note 33).

A register containing the information required by the Companies Act, 71 of 2008, is available for inspection at the registered office of the company. Bank borrowings are secured on property, plant and equipment for a book value of R1 034.3 million (2021: R1 014.3 million).

A general notarial bond of R0.4 million (2021: R28.2 million) is registered over property with a carrying value of R49.5 million (2021: R52.7 million) as security for borrowing and asset finance facilities.

Lease rentals of R73.0 million (2021: R47.8 million) relating to the leasing of property, plant and equipment, are included in the statement of profit or loss (note 33).

Borrowings are disclosed in note 21 of these financial statements.

11. Investment property

The group applies the cost model in accounting for investment property. Refer to note 10 for accounting policy on assets held using the historical cost method. Investment property has a useful of 50 years.

	2022	2021
	R'000	R'000
Opening balance	**-**	-
Additions	**5 110**	-
Transfers from inventory*	**109 412**	-
Depreciation	**(27)**	-
Closing balance	**114 495**	-
Cost	**114 522**	-
Accumulated depreciation	**(27)**	-
Net book amount	**114 495**	-

** The property was originally developed for sale to the market but during the year, subsequent to completion this property, it was strategically transferred to investment property based on the potential of better returns as apposed to what could be realised from the sale of the property.*

The investment property consists of residential units and a commercial building that are held to earn rental. The residential units are located within Woodwind Estate in Centurion and consist of ten 3-story blocks with 15 units per block. Each block's units, range from between 44m2 and 66m2 in size. The commercial property consists of a 4.1384 ha portion of owner-occupied land in Stilfontein. The leased property has a 225m2 building which is used as a sales office for trade purposes. The property further allows for customer parking, access for heavy duty vehicles for the delivery or transport of inventory and yard space for inventory storage. The commercial property is currently occupied by a brick manufacture and distribution company.

	2022	2021
The fair value of the investment property at year end is as follows:	R'000	R'000
Residential rental units	**111 158**	-
Office rental unit	**6 805**	-

The fair values of the residential rental units were determined using the gross yield valuation method. A gross yield of 9.5% was used together with a projected annual rental income of R10.6 million, based on the current rental agreements in place. The commercial property's fair value is based on a discounted cash flow calculation of the current non-cancellable lease in place. The lease term is 10 years with an escalation rate of 5%, while a discount rate of 5.6% was used.

Amounts recognised in profit or loss for investment properties	2022	2021
	R'000	R'000
Rental income	**1 155**	-
Direct operating expenses from property that generated rental income	**(251)**	-
Maturity analysis of lease payments to be received:		
Within 1 year*	**10 353**	-
Between 2 to 5 years	**3 902**	-
After 5 years	**3 437**	-

** The within 1 year cash flows only reflects 11 months of the remaining contract terms for the residential units.*

12. Leases

The statement of financial position reflects the following amounts relating to leases:

Right-of-use assets	Land and buildings R'000	Plant and machinery R'000	Total R'000
At 29 February 2020			
Cost	326 133	82 804	408 937
Accumulated depreciation	(12 178)	(20 380)	(32 558)
Net book amount	313 955	62 424	376 379
Year ended 28 February 2021			
Opening net book value	313 955	62 424	376 379
Additions	8 996	5 230	14 226
Modifications	266	-	266
Reassessments	5 545	-	5 545
Lease terminations	(1 607)	(52 488)	(54 095)
Depreciation	(36 629)	(10 662)	(47 291)
Closing net book amount	290 526	4 504	295 030
At 28 February 2021			
Cost	334 710	5 230	339 940
Accumulated depreciation	(44 184)	(726)	(44 910)
Net book amount	290 526	4 504	295 030

12. Leases (continued)

	Land and buildings R'000	Plant and machinery R'000	Total R'000
Year ended 28 February 2022			
Opening net book value	**290 526**	**4 504**	**295 030**
Foreign exchange differences	**-**	**(20)**	**(20)**
Additions	**7 171**	**10 319**	**17 490**
Modifications	**-**	**461**	**461**
Reassessments	**1 318**	**-**	**1 318**
Reclassifications	**-**	**5 617**	**5 617**
Lease terminations	**(1 189)**	**-**	**(1 189)**
Depreciation	**(35 482)**	**(8 186)**	**(43 668)**
Acquisition of subsidiary (note 6)	**63 251**	**39 694**	**102 945**
Disposal of subsidiary (note 6)	**(796)**	**-**	**(796)**
Closing net book amount	**324 799**	**52 389**	**377 188**
At 28 February 2022			
Cost	**402 485**	**91 177**	**493 662**
Accumulated depreciation	**(77 686)**	**(38 788)**	**(116 474)**
Net book amount	**324 799**	**52 389**	**377 188**

Lease liabilities

	2022 R'000	2021 R'000
Opening balance	**381 880**	455 098
Foreign exchange differences	**(3)**	-
Additions	**22 380**	14 226
Interest	**29 443**	32 164
Lease payments	**(67 787)**	(68 126)
Lease terminations	**(1 377)**	(57 286)
Reassessments	**1 318**	5 545
Modifications	**281**	259
Disposal of subsidiary (note 6)	**(2 364)**	-
Acquisition of subsidiary (note 6)	**91 951**	-
Closing balance	**455 722**	381 880
Current	**63 003**	31 527
Non-current	**392 719**	350 353
	455 722	381 880

During the year ended 29 February 2020, the lease liability additions exceeded right-of-use asset additions due to the fact that the group entered into a sale and leaseback transaction with RPI, refer to note 20 for further details. The sale and leaseback transaction resulted in a right-of-use asset of R283.5 million and a lease liability of R357.9 million being recognised on 29 February 2020, which will be depreciated and amortised over the 12 year lease period. In terms of IFRS 16, the sale and leaseback transaction reduced the profit and related right-of-use asset recognised in the group based on the benefit retained in the underlying assets being leased back.

The statement of profit and loss reflects the following amounts relating to leases:

	2022 R'000	2021 R'000
Included in cost of sales and administrative expenses:		
Depreciation on right-of-use assets	**43 668**	47 291
Expenses relating to short-term leases*	**61 310**	43 812
Expenses relating to low-value asset leases	**3 765**	3 231
Expenses relating to variable lease payments not included in lease liabilities	**7 973**	730
Included in finance costs		
Interest expense (note 34)	**29 443**	32 164
The total cash outflow for leases during the year	**140 835**	115 899
Capital repayments on capitalised leases	**38 344**	35 962
Interest repayments on capitalised leases	**29 443**	32 164
Lease payments relating to short-term, low-value and variable leases not capitalised (note 33)	**73 048**	47 773

** Short term leases relate largely to short term site accommodation.*

12. Leases (continued)

The group's leasing activities and how leases are accounted for

The group leases various offices, land for construction site offices, land for quarrying activities, residential units for site accommodation, plant and machinery and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions as well as extension and termination options. Rental contracts vary in length, and range from month to month agreements up to 12 years.

The lease agreements do not impose any covenants on the group.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any incentives receivable;
- variable lease payments that are based on an index or rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee’s incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs if applicable.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less at commencement date. Low value asset leases comprise small items of office equipment.

Extension and termination options

Extension and termination options are included in the majority of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option such as current market lease rates, availability and cost of similar assets. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of R170.7 million (2021: R181.3 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). R141.4 million of the cash flows not taken into account relate to a lease which is set to only expire at the end of February 2032. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

13. Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling shareholders' interests in the acquiree. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to the operating segment. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually, or more frequently, if events or changes in circumstances indicate a potential impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Trademarks and licences

Trademarks are tested annually for impairment and carried at cost less accumulated amortisation and impairment losses. Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date.

Licences have a finite useful life and are amortised over the contract period and are carried at cost less accumulated amortisation.

The trademarks held by the group were reassessed at the beginning of the year and it was determined that the original indefinite life assumption be changed to a finite life with 3 years remaining. Amortisation has been included for the year.

13. Intangible assets (continued)

Trademarks and licences (continued)

Mining rights are amortised over the expected life of the mine on a straight line basis and are carried at cost less accumulated amortisation:

- Licences/rights	5 years
- Mining rights for commercial quarries	9 - 50 years
- Trademarks	3 years

Exploration and evaluation resources

Exploration assets include expenditure incurred after the award of the legal licence to explore a specific area for Mineral Resources (area of interest) has been obtained. Pre-licence costs are recognised as an expense in profit or loss as incurred. Exploration and evaluation costs are capitalised as exploration assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration assets include costs of acquisition of rights to explore, costs to acquire licences, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a Mineral Resource. All exploration and evaluation assets are deemed to be intangible assets.

Administration and other general overhead costs, which are not directly attributable to the specific exploration assets, are expensed as incurred. When a licence is relinquished or a project is abandoned, the capitalised expenditure is recognised in profit or loss immediately.

Once the technical feasibility and commercial viability of the extraction of Mineral Resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified in accordance with other relevant standards.

Depreciation of the cost will only occur once the project moves from the exploration and evaluation phase to the mining phase. The value of the capitalised cost is subjected to an impairment test.

Impairment considerations

Goodwill is allocated to the group’s cash-generating units (CGU) identified.

Intangible assets that have an indefinite useful life are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For management's purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

13. Intangible assets (continued)

	Goodwill R'000	Trademarks R'000	Exploration and evaluation resources R'000	Mining rights R'000	Total R'000
At 29 February 2020					
Cost	921 951	21 053	-	192 184	1 135 188
Accumulated amortisation and impairment	(71 510)	-	-	(35 251)	(106 761)
Net book amount	850 441	21 053	-	156 933	1 028 427
Year ended 28 February 2021					
Opening net book amount	850 441	21 053	-	156 933	1 028 427
Exchange differences	5 397	-	-	-	5 397
Amortisation charge	-	-	-	(8 542)	(8 542)
Closing net book amount	855 838	21 053	-	148 391	1 025 282
At 28 February 2021					
Cost	927 348	21 053	-	192 184	1 140 585
Accumulated amortisation and impairment	(71 510)	-	-	(43 793)	(115 303)
Net book amount	855 838	21 053	-	148 391	1 025 282
Year ended 28 February 2022					
Opening net book amount	**855 838**	**21 053**	**-**	**148 391**	**1 025 282**
Acquisition of subsidiary (note 6)	**5 109**	**-**	**20 161**	**-**	**25 270**
Acquisition of intangible assets	**-**	**-**	**-**	**731**	**731**
Impairment loss	**(3 400)**	**-**	**-**	**(2 000)**	**(5 400)**
Disposal of subsidiary (note 6)	**(16 908)**	**-**	**-**	**(11 827)**	**(28 735)**
Exchange differences	**(1 797)**	**-**	**-**	**-**	**(1 797)**
Amortisation charge	**-**	**(7 018)**	**-**	**(8 349)**	**(15 367)**
Closing net book amount	**838 842**	**14 035**	**20 161**	**126 946**	**999 984**
At 28 February 2022					
Cost	**913 752**	**21 053**	**20 161**	**173 465**	**1 128 431**
Accumulated amortisation and impairment	**(74 910)**	**(7 018)**	**-**	**(46 519)**	**(128 447)**
Net book amount	**838 842**	**14 035**	**20 161**	**126 946**	**999 984**

The goodwill impaired during the year relates to entities that became dormant during the year. The mining right impaired relates to an unutilised mining right that expired during the year.

The impairment losses incurred have been included in other gains/losses (refer to note 32).

Amortisation of intangible assets of R15.4 million (2021: R8.5 million) is included in cost of sales in the statement of profit or loss (refer note 33).

An operating segment-level summary of the intangible asset allocation is presented below:

	Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Total R'000
Goodwill				
Year ended 28 February 2021	588 184	219 392	48 262	855 838
Year ended 28 February 2022	**575 958**	**216 632**	**46 252**	**838 842**
Trademarks				
Year ended 28 February 2021	21 053	-	-	21 053
Year ended 28 February 2022	**14 035**	**-**	**-**	**14 035**
Exploration and evaluation resources				
Year ended 28 February 2021	-	-	-	-
Year ended 28 February 2022	**20 161**	**-**	**-**	**20 161**
Mining rights				
Year ended 28 February 2021	148 391	-	-	148 391
Year ended 28 February 2022	**126 946**	-	-	**126 946**
Total intangible assets				
Year ended 28 February 2021	757 628	219 392	48 262	1 025 282
Year ended 28 February 2022	**737 100**	**216 632**	**46 252**	**999 984**

13. Intangible assets (continued)

The recoverable amounts of all cash generating units are determined using value in use calculations covering a 5 year period which are based on financial budgets approved by management for the year ended 28 February 2023. Should the value in use calculation indicate any possible impairment, a fair value less cost to sell calculation is performed to determine the appropriate impairment amount if any. Pre-tax cash flows beyond those budgeted are extrapolated using estimated growth rates determined per CGU. These rates do not exceed the long term average growth rate of the construction industry. The period used is considered reasonable as the business units to which the goodwill and trademarks relate are considered to have indefinite lives.

The key assumptions used for recoverable amount calculations of goodwill were a long term growth rate of 4.9% (2021: 3.1%) and a pre-tax discount rate of 14.4% (2021: 13.2%). The same key assumptions were used across operating segments based on the fact that they operate under similar conditions.

For the purpose of sensitivity analysis, long-term average growth rates of between 0% and 6% (2021: 1% and 5%) were used with a pre-tax discount rate of between 10% and 15% (2021: 10% and 15%). The pre-tax discount rates reflect market related rates, adjusted for specific risks relating to the entities within the group and the countries in which they operate (if applicable).

Subsequently to the goodwill impairments made above, the recoverable amounts of intangible assets, on all CGU's will still exceed their carrying values if the growth rate is 0% (2021: 0%). A rise in the pre-tax discount rate to 17.2% will not give rise to impairment and the carrying value will still exceed the recoverable amount.

14. Investment in associates and joint ventures

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures and joint operations (note 45).

Equity Method

Under the equity method, the investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Profits are then subsequently only recognised to the extent that these exceed previously unrecognised losses.

Intercompany transactions, balances and unrealised gains on transactions between the group and its associates and joint ventures are eliminated on consolidation to the extent of the group's interest. Unrealised losses are eliminated and are also considered an impairment indicator of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with policies adopted by the group.

Loans to associates and joint ventures are initially assessed for impairment using the group's expected credit loss model in terms of IFRS 9, at each reporting date. Refer to the credit risk section of note 8 for further details in this regard. The group then also determines whether there is any objective evidence that the net investments in associates and joint ventures are impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in the statement of profit or loss.

The amounts recognised in the statement of financial position are as follows:	**2022**	2021
	R'000	R'000
Investment in associates	**(3 457)**	270
Loans to associates	**9 526**	17 225
Investment in joint ventures	**6 290**	(22)
Loans to joint ventures	**-**	33 679
	12 359	51 152

Loans are recognised at amortised cost less any expected credit losses and include accrued interest (where applicable).

The loans to associates and joint ventures bear interest at 9.50% (2021: 9.00%) with no fixed repayment terms.

Share of loss of equity accounted investments is made up as follows:		
Share of loss from associates (note 14.1)	**(16 017)**	(772)
Share of profit/(loss) from joint ventures (note 14.2)	**55**	(92)
Profit on remeasurement of associate (note 14.1)	**9 451**	-
Loss allowance on loans to associates (note 14.1)	**(7 700)**	-
Bargain purchase on acquisition of joint venture (note 14.2)	**6 173**	-
Profit on disposal of joint venture (note 14.2)	**84**	-
Total loss from equity accounted investments for the year	**(7 954)**	(864)

14.1. Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer above). The group's investment in associates includes goodwill identified on acquisition. Loans to associates are included in the investment in associates line in the statement of financial position.

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:		
Carrying value at the beginning of the year	**17 495**	23 767
Investment in associate (Bauba - refer to note 6)	**71 441**	-
Loss allowance on loans to associate	**(7 700)**	(5 500)
Share of loss in associate	**(16 017)**	(772)
Remeasurement of investment to fair value on step up acquisition (Bauba - refer to note 6)	**9 451**	-
Change in ownership (Bauba - refer to note 6)	**(68 601)**	-
Carrying value at end of the year	**6 069**	17 495

The associates as listed below have share capital consisting solely of ordinary shares, which are held indirectly by the group, the country of incorporation or registration is also their principal place of business. The proportion of interest held is also the proportion of voting rights held.

14. Investment in associates and joint ventures (continued)

14.1. Associates (continued)

Nature of investments in associates:

Name of entity	Place of business/ country of incor-poration	% of attributable interest 2022	% of attributable interest 2021	Nature of the relationship	Measurement method
Lufhereng Development Company (Pty) Ltd ("Lufhereng ")	South Africa	25.34	25.34	Note 1	Equity
Centremark Roadmarking (Pty) Ltd ("Centremark")	South Africa	44	44	Note 2	Equity
Bauba Resources Limited ("Bauba")	South Africa	-	-	Note 3	Equity

Note 1: Lufhereng was established during 2015 to execute the project Lufhereng Mixed Integrated Development for the City of Johannesburg.
Note 2: Centremark specialises in line marking and the installation of road studs. Its services give the group the ability to complete the full road construction cycle from start to finish.
Note 3: Bauba is a mining company listed on the JSE, with various mineral reserves under licence. On 29 March 2021, the group acquired 23.08% shareholding which represented significant influence in terms of IAS 28. A number of additional share acquisitions were made during the year before obtaining control on 31 January 2022. The group's effective shareholding before control was obtained was 26.39%. Refer to note 6 for further details.

With the exception of Bauba, the associates listed above are private companies and there are no quoted market prices available for their shares.

Financial Information at 100%

	Lufhereng		Centremark		Bauba*	
	2022	2021	**2022**	2021	**2022**	2021
Statement of financial position	**R'000**	R'000	**R'000**	R'000	**R'000**	R'000
Assets						
Non-current assets	**9**	9	**5 387**	9 026	**-**	-
Current assets	**224 455**	193 230	**6 608**	12 011	**-**	-
Total Assets	**224 464**	193 239	**11 995**	21 037	**-**	-
Equity and liabilities						
Equity	**10 190**	10 083	**(13 722)**	(5 196)	**-**	-
Non-current liabilities	-	**-**	**1 434**	1 515	**-**	-
Current liabilities	**214 274**	183 156	**24 283**	24 718	**-**	-
Total equity and liabilities	**224 464**	193 239	**11 995**	21 037	**-**	-
Statement of profit or loss						
Revenue	**263 744**	574 493	**12 663**	13 454	**234 631**	-
Profit/(Loss)	**108**	1 875	**(8 527)**	(2 835)	**(46 577)**	-

* Only included the loss to date for Bauba while it was an associate, from 29 March 2021 to 31 January 2022. Bauba became a subsidiary on 31 January 2022. Refer to note 6 for further details.

14.2. Joint Ventures

Joint ventures are accounted for using the equity method. Loans to joint ventures are included in the investment in joint ventures line in the statement of financial position.

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures:

	2022	2021
	R'000	R'000
Carrying value at the beginning of the year	**33 657**	32 658
Bargain purchase on investment in joint venture - Voliere	**6 173**	-
Share of profit/(loss) in joint ventures	**55**	(92)
Loan (repayments from)/advances to joint ventures	**(33 679)**	1 091
Disposal of joint venture - Waterfall George	**84**	-
Carrying value at end of the year	**6 290**	33 657

The joint ventures listed below have share capital consisting solely of ordinary shares, which are held directly by the group.

14. Investment in associates and joint ventures (continued)

14.2. Joint Ventures (continued)

Nature of investment in joint ventures:

Name of entity	Place of business/ country of incor-poration	% of attributable interest 2022	% of attributable interest 2021	Nature of the relationship	Measurement method
Ndlu Housing (Pty) Ltd ("Ndlu")	South Africa	33.34	33.34	Note 1	Equity
Waterfall George (Pty) Ltd ("Waterfall George")	South Africa	-	50	Note 2	Equity
Voliere Development Company (Pty) Ltd ("Voliere")	South Africa	50	-	Note 3	Equity

Note 1: Ndlu Housing was established in order to execute work on the Lufhereng Mixed Integrated Development for the City of Johannesburg.

Note 2: Waterfall George was established during the prior year to develop strategically acquired land in the Western Cape. The group's 50% share was disposed of effective 31 May 2021 for R50.

Note 3: Voliere was established to conduct business as a property developer and establish an integrated and luxurious estate in Stellenbosch, Western Cape. The group acquired its 50% share for R200 effective 28 February 2022. The net asset value of the entity on date of acquisition was R12.3 million, resulting in a bargain purchase on acquisition of R6.2 million.

All joint ventures listed above are private companies and there are no quoted market prices available for their shares.

Loans are recognised at amortised cost, less any expected credit losses, and include accrued interest (where applicable).

Financial Information at 100%

	Ndlu		Waterfall George		Voliere	
	2022	2021	**2022***	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000	**R'000**	R'000
Statement of financial position						
Assets						
Non-current assets	**6**	8	**65**	93	**23**	-
Current assets	**26 908**	42 033	**14 285**	12 527	**54 261**	-
Total Assets	**26 914**	42 041	**14 350**	12 620	**54 284**	-
Equity and liabilities						
Equity	**337**	297	**(167)**	(240)	**12 343**	-
Non-current liabilities	**-**	-	**-**	-	**3 730**	-
Current liabilities	**26 577**	41 744	**14 517**	12 860	**38 211**	-
Total equity and liabilities	**26 914**	42 041	**14 350**	12 620	**54 284**	-
Statement of profit or loss						
Revenue	**99 810**	86 867	**-**	-	**-**	-
Profit/(Loss)	**56**	9	**72**	(189)	**-**	-

* Waterfall George was disposed of effective 31 May 2021, therefore the financial information for 2022 represents that which was applicable on that date being the last day it was a joint venture.

14.3. Reconciliation of carrying amounts of investments in associates and joint ventures:

	Equity	Group's share (%)	Group's share R'000	Loans to associates and Joint ventures R'000	Carrying amount R'000
Ndlu Housing	297	33.34	99	20 995	21 094
Lufhereng	10 083	25.34	2 555	-	2 555
Centremark	(5 196)	44	(2 286)	17 225	14 939
Waterfall George	(240)	50	(120)	12 684	12 564
Carrying amount at 28 February 2021					51 152
Ndlu Housing	**337**	**33.34**	**112**	**-**	**112**
Lufhereng	**10 190**	**25.34**	**2 582**	**-**	**2 582**
Centremark	**(13 722)**	**44**	**(6 033)**	**9 526**	**3 493**
Voliere	**12 343**	**50**	**6 172**	**-**	**6 172**
Waterfall George*	**(167)**	**-**	**-**	**-**	**-**
Carrying amount at 28 February 2022					**12 359**

15. Investments in service concessions

The group's investments consist of interests in service concession projects over which the group has neither control nor significant influence. These investments are classified as financial assets designated at fair value through other comprehensive income and are initially recognised at fair value. Subsequently any changes in fair value are recognised in the statement of other comprehensive income.

Service concession projects generally consist of two phases, a construction phase and an operational phase. The fair value of investments in projects still under construction are considered to be the cost of the investment. This is due to the various uncertainties that exist around the future cash flows of the concession project while still under construction. Once projects are operational, the fair value of the group's investments are determined using the discounted cash flow method where anticipated cash flows are discounted at the appropriate rates that take into account the relevant market and project risks.

Where investments in service concessions are denominated in a currency other than the functional currency of the group, the investments are translated at year end spot rates, being the valuation date. These investments normally take the form of equity and subordinated shareholders' loans in the entity geared to undertake the concession project.

	2022	2021
	R'000	R'000
Balance at year end	**23 153**	22 755

Details of the groups investment are as follows:

Name of Concession	**Country**	**Initial cost of investment ($'000)**	**% interest 2022**	**% interest 2021**	**Concession period**	**Concession status**	**Concession details**
Zimborders	Zimbabwe	1 500	2.82	2.82	17.5	Construction	Note 1

Note 1
The Beitbridge Border Post Modernisation Project, being the expansion, upgrade and improvement of the border post at Beitbridge in Zimbabwe was awarded by The Government of Zimbabwe to Andalusia Investments (Pvt) Ltd t/a Zimborders ("Zimborders"). Zimborders is required to implement, execute, finance and manage the project. The group's investment amounts to 2.82% in Zimborders Mauritius Limited, who owns 100% of Zimborders and is the funding company for the concession.

Notice to proceed with the construction phase of the project was received on 26 November 2020 and is anticipated to be completed by 31 May 2023 (30 months), while the operational phase of the concession is expected to start on 1 December 2022 with a 17.5 year term, ending 31 May 2040.

Due to the project still being in the construction phase at year end, the fair value amounts to the initial cost of the investment.

The initial investment was received through the equity settlement of prior works that were executed on the Zimborders contract prior to financial close to the value of $1.5 million.

16. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the applicable variable selling expenses. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Development land is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs capitalised during development. All direct and indirect costs attributable to development land that are incurred to prepare development land for its intended use, are capitalised up to the date that the development is ready for its intended use. When development land is ready for its intended use, borrowing costs and other charges are expensed as incurred.

Aggregates and gypsum tonnes held in stockpile which exceeds the annual tonnes to be sold in the following operating cycle are classified as non-current in the statement of financial position.

Development land to be transferred after 12 months falls within the normal operating cycle of the group and is therefore classified as current.

16. Inventories (continued)

	2022	2021
	R'000	R'000
Crusher stone	**212 345**	175 935
Chrome ore	**126 234**	-
Gypsum	**41 646**	37 156
Consumable stores	**76 000**	126 068
Development land	**130 364**	191 676
Other materials including bitumen, rubber and emulsions	**420 598**	216 272
	1 007 187	747 107
Less: non-current inventories	**(31 726)**	(58 163)
Total current inventories	**975 461**	688 944

Non-current inventories relate to the OMV acquisition and include the portions of the mine dumps in Stilfontein and the portions of the synthetic gypsum dump in Potchefstroom which are not expected to be utilised within the next operating cycle of the group. The mine dumps and gypsum dump have sufficient aggregate reserves to last 13 and 5 years respectively at current sales volumes.

The cost of inventories, together with the change in inventories for the year, recognised as expense and included in 'cost of sales' amounted to R2 871.7 million (2021: R2 037.7 million) (refer to note 33). No inventories are encumbered.

No write-offs of inventory to net realisable value were required during the current year.

17. Contract assets and liabilities

The group's construction activities, which result in contracting revenue being recognised over time from contracts with customers, give rise to contract assets and contract liabilities.

Contract assets and contract liabilities are determined on a contract by contract basis and represent the group's progress towards the satisfaction of the performance obligations stipulated in the terms of each of its construction contracts.

To determine the progress towards the satisfaction of our performance obligations on each contract, the group uses an input method, measuring the costs incurred to date relative to the total estimated cost of the contract.

This method requires the group to estimate the cost of construction services and activities performed to date as a proportion of the total cost of services and activities to be performed. The group considers this method to be the most faithful depiction of the transfer of goods and services to the customer as the group has a right to payment for performance to date which is most reliably measured using the costs incurred to date. In addition, judgements are required when recognising and measuring any variable considerations, claims or uninstalled materials on each contract. Refer to note 30 for further details on judgements required when recognising revenue.

The costs of construction services and activities are initially recognised as expenses at cost when incurred and include all costs that relate directly to the fulfilment of the specific contract, and allocated overheads relating to the fulfilment of contracts in general.

The group presents as a contract asset, the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers are included within trade and other receivables and retentions are included in contracts in progress. The invoicing of progress billings is done either as costs are incurred on a monthly basis or to match major capital outlay or on the achievement of milestones, dependant on the arrangement with customers in terms of the contract.

The group presents as a contract liability, the gross amount due to customers for contract work for all construction contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

When the outcome of a contract cannot be estimated reliably, at any stage, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract using the above mentioned method to determine the progress towards the satisfaction of the group's performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately to the extent that the remaining contracts costs are deemed to be unavoidable in terms of IAS 37.

Contract revenue within the group results from "cost-plus", "re-measurable" and "fixed price" contracts.

Retentions

Retentions are common practice in the construction industry and are used to guarantee the performance of a contractor and safeguard against defects for an initial period after construction is complete. Retentions are generally withheld as work is certified over the course of the contract, in accordance with a specified percentage stipulated in the contract with the customer, alternatively some contracts allow for retention guarantees to be provided through financial institutions.

Retentions by their nature only become due once a project is complete and the contractual defects liability period has expired. Once retentions become due they are invoiced and allocated to trade receivables, where standard contractual payment terms apply.

17. Contract assets and liabilities (continued)

Contracts in progress and retentions are made up as follows:

	2022 R'000	2021 R'000
Costs incurred plus profits recognised, less recognised losses relating to contracts at year end	**10 149 527**	7 637 408
Less: progress billings	**(10 849 117)**	(8 098 509)
Net balance sheet position for ongoing contracts	**(699 590)**	(461 101)
Consisting of:		
Amounts due from customers for contract work	**273 033**	206 190
Less: loss allowance	**(34 765)**	(671)
Amounts due from customers for contract work - net	**238 268**	205 519
Amounts due to customers for contract work	**(937 858)**	(666 620)
Net balance sheet position for ongoing contracts	**(699 590)**	(461 101)
Retentions	**230 620**	125 204
Less: loss allowance	**(7 730)**	(5 885)
Retentions - net	**222 890**	119 319
Amounts due from customers for contract work	**238 268**	205 519
Retentions	**222 890**	119 319
Total contracts assets at reporting date	**461 158**	324 838
Amounts due to customers for contract work	**937 858**	666 620
Total contracts liabilities at reporting date	**937 858**	666 620

Retentions to be received after 12 months amounted to R96.7 million (2021: R38.7 million) and fall in the normal operating cycle of the group and are therefore classified as current.

Reconciliation of net amounts due from customers for contract work for the year:

	2022 R'000	2021 R'000
Balance at 1 March	**206 190**	226 467
Exchange differences	**(2 245)**	1 921
Contract assets recognised during the year on contracts started in the current year	**142 673**	148 186
Contract assets recognised during the year on contracts started in prior years	**132 605**	57 411
Contract assets reversed on contracts started in prior years	**(206 190)**	(227 795)
Balance before loss allowances	**273 033**	206 190
Loss allowance	**(34 765)**	(671)
Balance - net	**238 268**	205 519

Contract assets are reversed as the progress billings catch up with the costs incurred plus recognised profits over the period of the contract.

Reconciliation of net amounts due to customers for contract work for the year:

	2022 R'000	2021 R'000
Balance at 1 March	**666 620**	226 825
Exchange differences	**3 794**	2 438
Contract liabilities recognised during the year on contracts started in the current year	**270 236**	468 749
Contract liabilities recognised during the year on contracts started in prior years	**305 538**	195 433
Contract liabilities reversed on contracts started in the current year	**(11 175)**	-
Contract liabilities reversed on contracts started in prior years	**(297 155)**	(226 825)
Balance - net	**937 858**	666 620

Contract liabilities are reversed and recognised as revenue as costs incurred plus recognised profits catch up with the progress billings over the period of the contract.

Included in contract liabilities recognised during the prior year on contracts started in the prior year is R354.4 million that relates to an advance payment received for mobilisation on the Beitbridge Border Post Project. The amount included in the closing balance at 28 February 2022 is R369.5 million.

Other than the above and the fluctuations between amounts due from/to customers for contract work and progress billings on contracts there were no other significant factors that resulted in the changes in the contract asset and liabilities balances during the year.

17. Contract assets and liabilities (continued)

Loss allowance on contract assets

	2022 R'000	2021 R'000
Balance at beginning of year	**6 556**	25 261
Exchange differences	**50**	(38)
Current year loss allowance for contract assets*	**36 763**	2 097
Contract assets written off during the year as uncollectible**	**(237)**	(16 372)
Unused amounts reversed	**(637)**	(4 392)
Balance at the end of the year	**42 495**	6 556

** R33.2 million of the current year loss allowance relates to the development of a railway line in Mozambique for which uncertainty exists over the recoverability of the contract asset due to the continued suspension of the project. The contract asset is pre-crushed ballast not yet collected by the client.*

*** Loss allowance reversal in the prior year relates to contract assets of R16,4 million which were written off during the prior year and relate mainly to a retention owed by the Zambian Roads Agency for which a provision had previously been made. The contract assets are still subject to enforceability.*

18. Trade and other receivables

Initially trade and other receivables are recognised at fair value, unless otherwise stated, and are subsequently measured at amortised cost using the effective interest rate method, less any loss allowance. Refer to note 8 for further details on the group's impairment policies and the calculation of the loss allowances.

The group holds trade and other receivables with the objective to collect the contractual cash flows.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are recognised initially at the amount of consideration that is unconditional. These are classified as current as the terms granted to customers facilitate the preparation of payments. The group therefore does not expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceed one year and no significant financing component is deemed to exist.

Receivables under finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. The effective interest rate method is used to allocate rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the group's net investment in the lease.

	2022 R'000	2021 R'000
Trade receivables	**1 814 024**	1 083 643
Receivables under finance leases	**42 807**	43 463
Prepayments	**38 251**	53 749
Value-added taxation	**59 506**	37 146
Receivables from joint operations	**29 482**	164 859
Receivables from related parties (note 40)	**132 668**	83 940
Loans to joint operations	**9 322**	27 321
Loans to related parties (note 40)	**187**	187
Total trade and other receivables	**2 126 247**	1 494 308
Less: loss allowance	**(130 740)**	(122 007)
Total trade and other receivables - net	**1 995 507**	1 372 301
Less: Non-current trade and other receivables (receivables under finance leases)	**(13 516)**	(13 555)
Total current trade and other receivables - net	**1 981 991**	1 358 746

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The loans to related parties are unsecured, interest free and have no fixed terms of repayment.

No trade and other receivables are pledged as security.

Notes to the group financial statements (continued)

18. Trade and other receivables (continued)

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	2022 R'000	2021 R'000
South African Rand	**1 602 411**	1 176 109
Australian Dollar	**133 313**	133 117
Botswana Pula	**29 458**	25 085
Central African Franc	**5 391**	6 560
US Dollar	**152 795**	5 438
Mozambican Metical	**13 259**	10 558
Namibian Dollar	**57 854**	14 420
Zambian Kwacha	**1 026**	1 014
	1 995 507	1 372 301

Loss allowance on trade and other receivables		
Balance at beginning of year	**122 007**	237 686
Exchange differences	**(101)**	103
Acquisition of subsidiaries	**48**	-
Disposal of subsidiary	**(39)**	-
Current year loss allowance for receivables	**49 100**	63 071
Receivables written off during the year as uncollectible*	**(28 837)**	(158 998)
Unused amounts reversed	**(11 438)**	(19 855)
Balance at the end of the year	**130 740**	122 007

** Loss allowance reversal relates to receivables of R22.2 million which were written off during the year and relate to debt owed by Douala Retail and Convention Centre Limited (Rest of Africa Private sector customer classification) for which a provision had previously been made. Loss allowance reversal in the prior year relates to receivables of R161,1 million which were written off during the prior year and relates mainly to debt owed by the Zambian Roads Agency for which a provision had previously been made. The receivables are still subject to enforceability.*

Reconciliation between the gross investment in the lease and the present value of the minimum lease instalment receivable:

	2022 R'000	2021 R'000
Total gross investment in finance leases	**47 827**	48 511
No later than 1 year	**33 794**	34 439
Later than 1 year and no later than 5 years	**14 033**	14 072
Unearned finance income	**(5 020)**	(5 048)
Net investment in lease	**42 807**	43 463
Represented by:		
Present value of minimum lease instalments	**42 807**	43 463
No later than 1 year	**29 291**	29 908
Later than 1 year and no later than 5 years	**13 516**	13 555

The group offers lessor financing for manufactured plant over the period of the contract where the plant has been built by group entities. The interest rate applicable to the lease is similar to that of current market rates.

19. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

	2022 R'000	2021 R'000
Cash on hand	**3 553**	3 640
Bank balances	**735 798**	678 499
Investments on call	**765 450**	1 209 497
Total cash and cash equivalents	**1 504 801**	1 891 636
For purpose of the consolidated cash flow statement, cash and cash equivalents consist of:	**1 504 799**	1 883 691
Cash on hand	**1 504 801**	1 891 636
Bank overdrafts (note 21)	**(2)**	(7 945)

19. Cash and cash equivalents (continued)

The credit ratings breakdown of cash and cash equivalents is as follows:	Rating	2022 R'000	2021 R'000
Cash and cash equivalents - Australia	AA	**227 525**	134 824
Cash and cash equivalents - Other	BB	**1 273 723**	1 753 172
Cash on hand	Not rated	**3 553**	3 640
		1 504 801	1 891 636

20. Other financial assets

Other financial assets consist of the following:

Debt instruments:

- Redeemable preference shares in ABI (Financial assets at fair value through profit and loss);
- A vendor loan receivable from ABI (Financial assets held at amortised cost);
- Other receivable from ABI (Financial assets held at amortised cost);
- Loan to joint venture, accounted for using IFRS 9 (Financial assets held at amortised cost);
- Shareholders' loan receivable from Zimborders Mauritius (Financial asset held at amortised cost); and
- Foreign exchange contracts (Financial assets held at fair value through profit and loss).

Equity instruments:

- Strategic equity investments (Financial assets held at fair value through oci).

Initially other financial assets are recognised at fair value, unless otherwise stated, and are subsequently measured at either amortised cost using the effective interest rate method, at fair value through profit or loss or at fair value through other comprehensive income.

Other financial assets consist of the following at year end:

	Preference shares R'000	Vendor loan R'000	Other R'000	Share-holders' loan R'000	Foreign exchange contracts R'000	Equity Investments R'000	Total R'000
Year ended 28 February 2021							
Opening Balance	41 028	81 443	187 000	-	-	-	309 471
- Loan receivable (non-cash settlement)	-	-	-	53 094	-	-	53 094
- Payments received	-	-	(180 125)	-	-	-	(180 125)
Charged to statement of profit or loss:							
- Fair value adjustment	3 884	-	-	-	-	-	3 884
- Interest accrued	-	7 022	-	1 765	-	-	8 787
At 28 February 2021	44 912	88 465	6 875	54 859	-	-	195 111
Non-current	44 912	88 465	-	54 859	-	-	188 236
Current	-	-	6 875	-	-	-	6 875
	44 912	88 465	6 875	54 859	-	-	195 111
Year ended 28 February 2022							
Opening Balance	**44 912**	**88 465**	**6 875**	**54 859**	**-**	**-**	**195 111**
- Loan advanced to joint venture	**-**	**-**	**2 844**	**-**	**-**	**-**	**2 844**
- Equity investments acquired	**-**	**-**	**-**	**-**	**-**	**65 288**	**65 288**
- Foreign exchange effects	**-**	**-**	**-**	**-**	**-**	**1 949**	**1 949**
Charged to statement of other comprehensive income:							
- Fair value adjustment	**-**	**-**	**-**	**-**	**-**	**23 740**	**23 740**
Charged to statement of profit or loss:							
- Fair value adjustment (note 32)	**4 859**	**-**	**-**	**-**	**21 765**	**-**	**26 624**
- Foreign exchange gain/(loss)	**-**	**-**	**-**	**1 228**	**-**	**-**	**1 228**
- Interest accrued	**-**	**8 780**	**237**	**7 383**	**-**	**-**	**16 400**
At 28 February 2022	**49 771**	**97 245**	**9 956**	**63 470**	**21 765**	**90 977**	**333 184**
Non-current	**49 771**	**97 245**	**2 844**	**63 470**	**10 939**	**90 977**	**315 246**
Current	**-**	**-**	**7 112**	**-**	**10 826**	**-**	**17 938**
	49 771	**97 245**	**9 956**	**63 470**	**21 765**	**90 977**	**333 184**

During the 29 February 2020 financial year, the group, acting through its wholly owned subsidiary Raubex Roads and Earthworks Holdings Proprietary Limited (the "Seller"), entered into an agreement of sale on 27 February 2020, with Acorn Black Investments Proprietary Limited, acting through its wholly owned subsidiary, ABI 2 Proprietary Limited (the "Purchaser" or "ABI"), for the sale of 100% of the shares and loan claims the Seller holds in RPI (the "Transaction").

RPI owns a property portfolio which includes both commercial properties and residential units which were independently valued at R383 million (the "Properties"). RPI leases the Properties to the Raubex group as well as certain third parties on a market related triple net lease basis. The Properties are considered to be non-core assets of the group and the group has entered into a 12-year, triple net lease with ABI based on an 8.75% yield. ABI is a South African based Black Women Owned Private Equity Investment company.

Notes to the group financial statements (continued)

20. Other financial assets (continued)

The Transaction constitutes a Qualifying Transaction as contemplated under Statement 102 of the of Broad-Based Black Economic Empowerment Codes. The Transaction was effected through the sale of 100% of the issued shares ("Sale Shares") and loan claims ("Loan Claims") in RPI, by the Seller, which owns and operates the RPI Business, to the Purchaser.

The Purchase Price payable for the Sale Shares and Loan Claims was R383 million which consists of the following:

- R187 million was payable on the closing date, once all the necessary security was in place, including registration of first covering mortgage bonds over the properties in the portfolio;
- R81.4 million consists of a vendor loan which is repayable within 5 years bearing interest at 9.82% per annum; and
- R114.6 million consists of an equity preference share investment in ABI at zero coupon and redeemable at the election of ABI within 10 years through the payment of a preference share dividend of R114.6 million (114.6 million shares).

The financial assets are classified as follows:

Preference shares
The preference shares are redeemable at the election of ABI on payment of a R1 preferential dividend per share which is required to be paid within 10 years of the subscription date. The preference dividends shall accrue interest at a zero rate, with the exception only of default interest which shall accrue upon the issuer failing to declare all preference dividends within the stipulated 10 year period. Thereafter any outstanding preference dividends will bear interest at the prime rate, calculated from the day immediately following the due date for payment until the date of payment.

The preference shares were discounted on subscription date to fair value using a rate 10.82% being the similar lending rate applicable to the group on a similar transaction, plus a 1% risk premium for the private nature of the equity investment. The maximum 10 years available to the issuer was used as the investment term. No default interest has been included in the fair value of the preference shares as the occurrence of default on the preferential dividends is deemed to be highly unlikely at year end.

Vendor loan
The vendor loan of R81.4 million is repayable within 5 years, and bears interest at 9.82% per annum.

Other - Other receivable from ABI
The R187 million receivable from ABI was payable on closing date, once all the necessary security was in place, including registration of first covering mortgage bonds over the properties in the portfolio.

During the prior year R180.1 million was received, while R7.1 million remains outstanding due to the pending registration of one of the final properties.

Other - Loan to Joint Venture
Effective 28 February 2022 the group provided a loan to Voliere Development Company (Pty) Ltd ("Voliere") (joint venture - refer to note 14) in the form of a development revolving credit facility. The maximum principle amount available to Voliere is R66.7 million with borrowing rate of prime plus 2%. The facility has been made available to Voliere for the development of the Voliere Estate in Stellenbosch with draw downs being done monthly based on certified progress certificates. R2.8 million was advance on the facility at the end of the year.

Shareholders' loan
The shareholders' loan receivable from Zimborders Mauritius Limited is unsecured and bears interest at 13% nacq (nominal annual compound quarterly). The loan is denominated in US dollars and has been pledged as security to the senior lender group responsible for financing the construction phase of the Zimborders project. Subject to the financing agreements and any statutory requirements of Zimborders Mauritius, the shareholders' loan will be repaid from distributable reserves over the duration of the concession period. The shareholders' loan was received in settlement of prior works that were executed on the Zimborders contract prior to the financial close of the project to the value of $3.5 million.

Equity investments
Summary of equity investments held by the group:

	% held	FV Inputs	2022 R'000	2021 R'000
Vanadium Resources Limited ("VR8")	9.56%	ASX Listed price - level 1	**33 996**	-
Arcadia Minerals Limited ("Arcadia")	27.73%	ASX Listed price - level 1	**56 981**	-
			90 977	-

Significant influence in terms of IAS 28 has not been met for the above mentioned equity investments. Although the group effectively holds more than 20% of the shares in Arcadia, the group has determined that it essentially does not have the ability to vote on the financial and operating policies of Arcadia based on the following:

- There is an individual currently representing the group as a director of Arcadia, however he was not appointed due to voting rights but rather due to business development knowledge and experience and his association as an employee to the group;
- The group has no influence or guarantee to keep him on the board or appoint another director in his place should he resign or be removed, and will lose access to board information and decision making; and
- The group cannot force or direct the individual to vote in the interest of Raubex Group.

Therefore the group does not have significant influence over Arcadia.

20. Other financial assets (continued)
Equity investments (continued)

Sensitivity analysis - Equity investments held at FVOCI	**2022**	**2021**
Total impact on equity - Other components of equity:	**R'000**	**R'000**
10% increase in share price listed on the ASX	**9 098**	-
10% decrease in share price listed on the ASX	**(9 098)**	-

Equity of the group would increase/decrease with the corresponding investment's fair value gains/losses.

Foreign exchange contract
A foreign exchange contract was taken out by the group during the year in order to protect against any significant strengthening of the Rand against the United States Dollar ("USD"). The contract involves the monthly settlement of specified amounts of USD over a 20 month period from November 2021 to June 2023. Each specified settlement date has a guaranteed floor rate of R15.00 ("call"), which is triggered if exchange rate is below the floor price) and a specified capped rate ("Put") which is triggered if the exchange rate is higher than the capped rate. The capped rate ranges from R16.07 to R18.82. The contract is structure that either a call or put is triggered at settlement date. Should the rate be within the put and call rates on settlement date, the required USD is exchanged at the prevalent exchange rate. The contract only allows for a 20% participation in rand weakness if on settlement date the exchange rate is beyond the capped rate.

The mark to market valuation provided by the contracting party was used as the fair value of the financial assets (call positions) and financial liabilities (put positions) outstanding at the end of the year. The fair value of the outstanding positions is determined using the Black-Scholes model. The total outstanding USD settlements together with the observable inputs requiring some adjustment with regards to the valuation are as follows:

			Observable inputs with adjustments		**Fair value at year end**	
	Exposure remaining at year end (USD'000)	**Strike price range (R)**	**Spot exchange rate (R)**	**Forward exchange rate range (R)**	**Current (R'000)**	**Non-current (R'000)**
Total call positions - financial assets	59 599	15.00	15.44	15.49 to 16.47	10 826	10 939
Total put positions - financial liabilities	47 679	16.48 to 18.82	15.44	15.49 to 16.47	(7 611)	(9 195)
Net asset at year end					**3 215**	**1 744**

Sensitivity Analysis - Significant unobservable inputs (Level 3)

Below is a sensitivity analysis with regards to the significant unobservable inputs, used to calculate the at acquisition fair value ("FV") of the other financial assets held at fair value through profit and loss:

	Discount rate used to establish FV at acquisition date	**Effect on FV, if discount rate was 2.5% higher at acquisition date R'000**	**Effect on FV, if discount rate was 2.5% lower at acquisition date R'000**
Preference shares	**10.82%**	**(8 204)**	**10 516**

21. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Instalment sales agreements where the group is the borrower are recognised as assets and liabilities in the statement of financial position at the agreement's commencement at the amounts equal to the fair value of the property, plant and equipment or, if lower, the present value of the minimum instalments. The bank borrowings consist of mortgage loans and instalment sale agreements.

The discount rate used in calculating the present value of the minimum instalments is the interest rate implicit in the agreement.

The instalments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the agreement term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

21. Borrowings (continued)

	2022 R'000	2021 R'000
Non-current		
Bank borrowings	**517 379**	397 022
Loans from related parties (note 40)	**40 199**	-
Total non-current borrowings	**557 578**	397 022
Current		
Bank borrowings	**332 013**	387 742
Loans from related parties (note 40)	**70 298**	2 486
Bank overdrafts	**2**	7 945
Total current borrowings	**402 313**	398 173
Total borrowings	**959 891**	795 195

Bank borrowings

The bank borrowings are secured by hypothec over property, plant and equipment with a book value of R1 034.3 million (2021: R1 014.3 million) and repayable in monthly instalments of R32.7 million (2021: R35.8 million) with an effective interest rate ranging between 2.49% and 6.00% per annum (2021: 2.99% and 7.98%). Bank borrowings mature September 2026.

A general notarial bond of R0.4 million (2021: R28.2 million) is registered over property with a carrying value of R49.5 million (2021: R52.7 million) as security for borrowing and asset finance facilities.

In addition, the group has unutilised facilities for asset backed finance of R355.9 million (2021: R531.5 million). The facilities are subject to annual review.

Gross future minimum payments on bank borrowings are as follows:	2022 R'000	2021 R'000
No later than 1 year	**370 904**	421 341
Later than 1 year and no later than 5 years	**540 400**	396 266
Later than 5 years	**-**	19 381
	911 304	836 988
Future finance charges on bank borrowings	**(61 910)**	(52 224)
Present value of bank borrowings	**849 394**	784 764

The current banking facilities are subjected to a number of debt covenants which have been calculated in note 9 – capital risk management.

Loans from related parties

Loans from related parties were acquired as part of the acquisition of Bauba, refer note 6. Bauba entered into 2 long-term loan agreements with Pelagic (Non-controlling shareholder). The loans are US dollar denominated. Loan 1 is a fixed rate (6.25% plus 5% structure fee) loan for USD 3.8 million entered into on 28 June 2020. The loan matures on 31 May 2024 and is repayable in monthly instalments of USD 0.13 million. Loan 2 is a variable rate (three-month LIBOR plus 6.45%) loan for USD 5.0 million entered into on 04 August 2020. The loan matures on 31 May 2023 and is repayable in monthly instalments of USD 0.15 million. The other related party loan is a fixed rate (5.8%) short term loan with Bapedi Nation (Non-controlling shareholder) for R10 million that is repayable on 31 March 2022.

The group has considered the effects of interest rate benchmark reform and deems the effect not applicable on its future cash flows as the loan linked to the 3 month LIBOR rate is expected to be fully paid up by 31 May 2023, while the last date for publication of the 3 month LIBOR rate will be 30 June 2023.

The independent family trust loan is unsecured, interest free and has no fixed terms of repayment.

Gross future minimum payments on loans from related parties are as follows:	2022 R'000	2021 R'000
No later than 1 year	**77 057**	2 486
Later than 1 year and no later than 5 years	**43 092**	-
	120 149	2 486
Future finance charges on loans from related parties	**(9 652)**	-
Present value of loans from related parties	**110 497**	2 486

22. Provisions for liabilities and charges

Provisions are recognised when:

- the group has a present, legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

The provisions are made up as follows:

	Materials provision R'000	Rehabilitation provision R'000	Post-employment benefits R'000	Total R'000
At 1 March 2020	8 565	105 500	2 937	117 002
Charged to statement of profit or loss:				
- Additional provision	4 000	324	-	4 324
- Unwinding of discount (note 34)	-	4 320	-	4 320
- Provisions utilised	(6 725)	(1 673)	-	(8 398)
- Current service cost	-	-	31	31
- Interest expense	-	-	383	383
- Expected employer benefit payments	-	-	(200)	(200)
- Past service cost gain	-	-	(214)	(214)
Actuarial gain for the year	-	-	(1 833)	(1 833)
At 28 February 2021	5 840	108 471	1 104	115 415
Acquisition of subsidiaries (note 6)	**-**	**6 038**	**-**	**6 038**
Disposal of subsidiaries	**-**	**(4 118)**	**-**	**(4 118)**
Charged to statement of profit or loss:				
- Additional provision	**2 206**	**20 891**	**-**	**23 097**
- Unwinding of discount (note 34)	**-**	**2 622**	**-**	**2 622**
- Provisions utilised	**(5 258)**	**(1 166)**	**-**	**(6 424)**
- Current service cost	**-**	**-**	**31**	**31**
- Interest expense	**-**	**-**	**143**	**143**
- Expected employer benefit payments	**-**	**-**	**(94)**	**(94)**
- Past service cost gain	**-**	**-**	**-**	**-**
Actuarial gain for the year	**-**	**-**	**1 178**	**1 178**
At 28 February 2022	**2 788**	**132 738**	**2 362**	**137 888**

Analysis of total provisions:	**2022 R'000**	2021 R'000
Non-current		
Rehabilitation provision	**132 738**	108 471
Post-employment benefits	**2 138**	1 061
Total non-current provisions	**134 876**	109 532
Current		
Materials provision	**2 788**	5 840
Post-employment benefits	**224**	43
Total current provisions	**3 012**	5 883
Total provisions	**137 888**	115 415

Additional provisions to the value of R17.7 million relating to the rehabilitation required by Bauba at the newly set up Kookfontein chrome operation were capitalised to stripping assets in property plant and equipment (note 10).

The rest of the additional provisions have been included in other operating expenses in the statement of profit or loss (refer to note 33).

22. Provisions for liabilities and charges (continued)

Rehabilitation provision:

Estimated long-term environmental obligations, comprising rehabilitation, are based on the group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

In terms of Section 41 (3) of the Mineral and Petroleum Resources Development Act, the holder of a mining right must annually assess their environmental liability with regards to the site over which the right is held and increase their financial provision to the satisfaction of the minister. The group's rehabilitation provisions are assessed annually and calculations are based on guidelines set out by the Department of Mineral Resources. The provision is measured at the present value of the expected future cash flows that will be required to rehabilitate the site to the standard required by the Department of Mineral Resources.

The rehabilitation provision consists of amounts accrued to rehabilitate environments disturbed over the life of the group's quarries and mines. The provisions have been determined based on assessments and estimates by management and external consultants to reflect the estimated current cost of the rehabilitation.

A risk free rate of 3.80% (2021: 3.90%) and an average inflation rate of 4.60% (2021: 5.13%) were used in the calculation of the estimated net present value of the rehabilitation provision. Actual results could differ from estimates and there is no certainty as to the timing of the cash flows relating to these provisions.

Below is a sensitivity analysis with regards to the discount rate used to calculate the present value of expected expenditure ("PV") of the rehabilitation provisions:

	Discount rate used to establish PV at reporting date	Effect on PV, if discount rate was 2.5% higher at reporting date R'000	Effect on PV, if discount rate was 2.5% lower at reporting date R'000
Rehabilitation provision	**3.80%**	**2 680**	**(2 680)**

Post-employment benefits:

One of the subsidiaries in the group i.e. Tosas (Pty) Ltd provides post-retirement healthcare benefits to certain of their retirees, employed prior to 1 January 1998 who retire and satisfy the necessary requirements of the medical fund. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Notes to the group financial statements (continued)

23. Other financial liabilities

Other financial liabilities consist of the following:

- Contingent considerations (Financial liabilities at fair value through profit and loss); and
- Voluntary rebuilding programme settlement liability (Financial liability held at amortised cost).
- Foreign currency options (Financial liability held at fair value through profit and loss)

Contingent considerations have originated from the acquisition of business combinations. Additional contingent considerations are payable by the group dependant on the acquired company's earnings over a period in the future. Contingent considerations are recognised initially at fair value. When the financial liability is recognised initially, its fair value is included in the consideration transferred by the group in the business combination. Subsequently, the contingent consideration is measured at fair value. Gains and losses arising from changes in the fair value of the liability are included in profit or loss.

	Contingent consider-ations R'000	Voluntary rebuilding programme R'000	Foreign exchange contracts R'000	Total R'000
At 1 March 2020	42 370	87 951	-	130 321
Charged to statement of profit or loss:				
- Unwinding of discount (note 34)	-	7 018	-	7 018
- Fair value adjustments (note 32)	(5 799)	-	-	(5 799)
Expiry/Settlement of financial liabilities:				
- Voluntary Rebuilding Programme Settlement	-	(15 000)	-	(15 000)
At 28 February 2021	36 571	79 969	-	116 540
Non-current	36 571	64 969	-	101 540
Current	-	15 000	-	15 000
	36 571	79 969	-	116 540
At 1 March 2021	**36 571**	**79 969**	**-**	**116 540**
- Arising from acquisition of shares from non-controlling interest	**1 465**	**-**	**-**	**1 465**
Charged to statement of profit or loss:				
- Unwinding of discount (note 34)	**-**	**6 301**	**-**	**6 301**
- Fair value adjustments (note 32)	**(15 294)**	**-**	**16 806**	**1 512**
Settlement of financial liabilities:				
- Voluntary Rebuilding Programme Settlement	**-**	**(15 000)**	**-**	**(15 000)**
At 28 February 2022	**22 742**	**71 270**	**16 806**	**110 818**
Non-current	**9 310**	**56 270**	**9 195**	**74 775**
Current	**13 432**	**15 000**	**7 611**	**36 043**
	22 742	**71 270**	**16 806**	**110 818**

Sensitivity Analysis - Significant unobservable inputs (Level 3)

Below is a sensitivity analysis with regards to the discount rate used to calculate the at acquisition fair value ("FV") of the other financial liabilities held at fair value through profit and loss:

	Discount rate used to establish FV*	Effect on FV, if discount rate was 2.5% higher R'000	Effect on FV, if discount rate was 2.5% lower R'000
Metadynamics – Contingent Consideration	**3.90%**	**(172)**	**180**
Transkei – Contingent Consideration	**3.90%**	**(432)**	**465**

** The discount rate change from the prior year is due to the change in market rate.*

Refer to the transaction descriptions below for further details relating to the other unobservable inputs inherent in the financial liabilities held at fair value through profit and loss.

23. Other financial liabilities (continued)

Metadynamics (Pty) Ltd ("Metadynamics") – Contingent Consideration

The contingent consideration arrangement requires the group to pay, in cash, to the former owners, an additional amount limited to a maximum undiscounted amount of R59,15 million based on the average profit after tax achieved over the 4 year period from 1 March 2018 to 28 February 2022. During the year the measurement period was amended to 1 March 2019 to 31 August 2022.

The fair value of the contingent consideration has been determined using an income approach and a discount rate of 3.9% (2021: 3.4%), which is the significant unobservable input. Significant increases (decreases) in the discount rate would result in a lower (higher) fair value measurement, refer to sensitivity analysis above.

Transkei Quarries (Pty) Ltd ("Transkei") – Contingent Consideration

The contingent consideration arrangement requires the group to pay, in cash, to the former owners, an additional amount, based on Transkei's enterprise value exceeding R100 million over a 4 year measurement period. The maximum amount payable is limited to R19.6 million based on a limited enterprise value of R140 million. During the year the measurement period was amended to 1 March 2019 to 29 February 2024.

The fair value of the contingent consideration has been determined using an income approach and a discount rate of 3.9% (2021: 3.4%), which is the significant unobservable input. Significant increases (decreases) in the discount rate would result in a lower (higher) fair value measurement, refer to sensitivity analysis above.

Westforce Construction (Pty) Ltd ("Westforce") – Contingent Consideration

The group entered into a contingent consideration arrangement as part of the 10% share transaction entered into with a non-controlling shareholder, refer to note 6. The contingent consideration arrangement requires the group to pay, in cash, to the former owner, an additional amount, based on Westforce's average profit after tax over the 3 year period from 1 March 2019 to 28 February 2022. Based on this the group will be required to pay the previous owner an additional AUD 0.6 million in the new financial year.

Voluntary rebuilding programme settlement liability

The group entered into a settlement agreement with the government of the Republic of South Africa (the Government) on 11 October 2016, together with other construction companies, in an effort to address the construction companies' exposure to potential claims for damages from certain identified public entities arising primarily from the fast track settlement process launched by the South African Competition Authorities in February 2011, as well as to significantly advance the transformation of the South African construction sector.

The settlement agreement stipulates that over a 12 year period, from the effective date, the group will be required to make an annual payment of R15 million into a fund which will be used to implement initiatives that will develop and enhance the construction industry, in conformity with the Government's transformation objectives and promote the development of emerging contractors and suppliers in South Africa.

As a result, any claims or potential claims for damages that certain, identified public entities have made, or may be entitled to make, against the group in relation to projects primarily arising from the Fast Track Settlement Process, will be settled.

The settlement liability is held at amortised cost and has been discounted at the incremental borrowing rate of 8.6%.

Foreign exchange contract

Refer to description in note 20.

24. Trade and other payables

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The obligation arising is expected to be settled within 12 months of the reporting date.

	2022	2021
	R'000	R'000
Trade payables	**937 522**	644 021
Payables due to joint operations	**13 164**	56 851
Payables due to related parties (note 40)	**974**	2 477
Loans from joint operations	**2 957**	17 713
Loans from related parties (note 40)	**100**	501
Value-added taxation	**81 803**	62 946
Accruals and other payables	**830 482**	651 143
Total trade and other payables	**1 867 002**	1 435 652

The loans from related parties are unsecured, interest free and have no fixed terms of repayment.

25. Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax liabilities are not recognised on the initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

The group assesses the underlying economic circumstances of all deferred tax assets recognised on tax losses in order to ensure that future taxable profits are probable.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided for on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes, assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised. Generally the group is unable to control the reversal of the temporary difference for associates.

25. Deferred income tax (continued)

	2022 R'000	2021 R'000
Deferred tax assets		
Non-current	**(115 415)**	(155 756)
Deferred tax liabilities		
Non-current	**244 568**	268 380
Deferred tax liabilities (net)	**129 153**	112 624

A net deferred tax liability amount of R62.3 million is expected to be reversed over the next 12 months.

The gross movement on the deferred income tax account is as follows:

	2022	2021
Balance at beginning of year	**112 624**	148 167
Exchange differences	**2 169**	4 793
Acquisition of subsidiary	**(19 449)**	-
Disposal of subsidiary	**(5 166)**	(361)
Charged to statement of profit or loss	**30 861**	(40 488)
Charged to comprehensive income	**8 114**	513
Balance at year end	**129 153**	112 624

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	**Accelerated depreciation R'000**	**Construction contracts R'000**	**Other R'000**	**Total R'000**
At 1 March 2020	466 985	28 859	1 284	497 128
Exchange differences	(587)	(60)	-	(647)
Disposal of subsidiary	(417)	-	-	(417)
Charged to statement of profit or loss	(3 547)	(3 435)	-	(6 982)
At 28 February 2021	462 434	25 364	1 284	489 082
Exchange differences	**4 509**	**-**	**257**	**4 766**
Disposal of subsidiary	**(5 468)**	**(647)**	**-**	**(6 115)**
Charged to statement of profit or loss	**311**	**(26 333)**	**-**	**(26 022)**
Charged to comprehensive income	**-**	**-**	**8 466**	**8 466**
Acquisition of subsidiaries	**70 744**	**-**	**-**	**70 744**
At 28 February 2022	**532 530**	**(1 616)**	**10 007**	**540 921**

Deferred tax assets	**Provisions R'000**	**Tax losses R'000**	**Other R'000**	**Total R'000**
At 1 March 2020	(146 907)	(136 049)	(66 005)	(348 961)
Exchange differences	(388)	2 903	2 925	5 440
Disposal of subsidiary	56	-	-	56
Charged to statement of profit or loss	15 042	(53 994)	5 446	(33 506)
Charged to comprehensive income	513	-	-	513
At 28 February 2021	(131 684)	(187 140)	(57 634)	(376 458)
Exchange differences	**(3 307)**	**710**	**-**	**(2 597)**
Disposal of subsidiary	**510**	**-**	**439**	**949**
Charged to statement of profit or loss	**(7 301)**	**72 268**	**(8 084)**	**56 883**
Charged to comprehensive income	**(352)**	**-**	**-**	**(352)**
Acquisition of subsidiaries	**(144)**	**(26 262)**	**(63 787)**	**(90 193)**
At 28 February 2022	**(142 278)**	**(140 424)**	**(129 066)**	**(411 768)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through taxable profits is probable. During the current year, deferred income tax assets to the value R15.6 million in respect of tax losses carried forward were not recognised in the group at year end due to the uncertainty pertaining to future taxable profits.

Notes to the group financial statements (continued)

26. Share capital and premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as part of other reserves.

	Number of shares '000	Ordinary shares R'000	Share premium R'000	Total R'000
At 1 March 2020	181 750	1 817	2 059 688	2 061 505
At 28 February 2021	181 750	1 817	2 059 688	2 061 505
At 28 February 2022	**181 750**	**1 817**	**2 059 688**	**2 061 505**

No new shares were issued during the year (2021: nil).

The total authorised number of ordinary shares is 500 million shares (2021: 500 million) with a par value of 1 cent per share (2021: 1 cent per share). All issued shares are fully paid.

27. Treasury shares

Where any group company acquires its own equity instruments (Treasury shares), the consideration paid, including any directly attributable incremental cost (net of income taxes) is deducted from equity attributable to the group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the group's equity holders. Any difference between the carrying amount and the consideration received, if reissued, is recognised in equity attributable to the company's equity shareholders. Dividends received on treasury shares are eliminated on consolidation. The cost of treasury shares held is determined using the weighted average cost basis.

	2022 R'000	2021 R'000
Treasury shares held by Raubex (Pty) Ltd	**47 077**	16 002
Total	**47 077**	16 002

Treasury shares are shares in Raubex Group Limited that are held by group companies. During the current year 606,354 treasury shares were transferred to employees in terms of the equity settled performance share scheme that vested on 1 August 2021, refer to note 38 for further details. On 12 August 2021 the group, through its subsidiary Raubex (Pty) Ltd, purchased an additional 1,400,000 of its own shares by way of a purchase on the JSE.

The weighted average share price of the remaining treasury shares held at year end is R27,71 (2021: R17,67).

Analysis of movement in treasury shares:	Number of shares	Value R'000
At 29 February 2020	905 537	16 002
At 28 February 2021	905 537	16 002
Treasury shares used in settlement of performance share options	**(606 354)**	**(10 715)**
Treasury shares acquired by Raubex (Pty) Ltd	**1 400 000**	**41 790**
At 28 February 2022	**1 699 183**	**47 077**

28. Other reserves

	Foreign currency translation reserve R'000	Fair value adjustments on financial assets held at FVOCI R'000	Equity settled share based payment R'000	Common control reserve R'000	Total R'000
At 1 March 2020	18 407	-	15 047	(1 175 298)	(1 141 844)
Translation difference of foreign subsidiaries	12 222	-	-	-	12 222
Non-controlling interests' portion of translation difference of foreign subsidiaries	(2 504)	-	-	-	(2 504)
Performance shares granted to employees (note 38)	-	-	11 702	-	11 702
At 28 February 2021	28 125	-	26 749	(1 175 298)	(1 120 424)
Translation difference of foreign subsidiaries	**(320)**	-	-	-	**(320)**
Non-controlling interests' portion of translation difference of foreign subsidiaries	**585**	-	-	-	**585**
Acquisition of shares from non-controlling interest	**909**	-	-	-	**909**
Change in fair value of investments held at FV through OCI	-	**15 274**	-	-	**15 274**
Performance shares granted to employees (note 38)	-	-	**17 248**	-	**17 248**
Performance shares vested during the year (note 38)	-	-	**(9 286)**	-	**(9 286)**
At 28 February 2022	**29 299**	**15 274**	**34 711**	**(1 175 298)**	**(1 096 014)**

Raubex Group Limited listed on the Johannesburg Stock Exchange (JSE) on 20 March 2007. Upon listing Raubex Group Limited acquired 100% of the share capital of Raubex (Pty) Ltd and the non-controlling interests of underlying subsidiary companies in a common control transaction. This transaction gave rise to the common control reserve disclosed above.

29. Non-controlling interest

	2022 R'000	2021 R'000
Balance at beginning of year	**270 839**	257 417
Profit attributable to non-controlling interest	**73 478**	44 872
FCTR attributable to non-controlling interest	**(585)**	2 504
Non-controlling interest arising on business combination	**127 105**	-
Disposal of non-controlling interest	**-**	(9 550)
Disposal of subsidiary	**(4 837)**	(308)
Acquisition of shares from non-controlling interest	**(7 914)**	-
Dividends paid to non-controlling interest	**(36 229)**	(24 096)
Balance at end of year	**421 857**	270 839

Refer to note 44 for a breakdown of non-controlling interest percentages per subsidiary.

Notes to the group financial statements (continued)

30. Revenue

Revenue is recognised at the amount that reflects the consideration to which the group expects to be entitled for transferring goods or services to its customers based on the satisfaction of performance obligations, either over time or at a point in time, in the normal course of business. Revenue is recognised net of value added tax and inter-company revenues are eliminated on consolidation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Although in most instances contracts are expected to last more than 12 months, the terms granted to customers facilitate the preparation of payments and the group does not normally expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceed one year. The group has applied the 12 month financing practical expedient in terms of IFRS 15 where applicable. For all other circumstances where the period exceeds one year, the group recognises the significant financing component applicable to contract as part of finance cost, refer to note 34.

Contract assets and liabilities

Contract assets and liabilities arise due to a number of different factors during the execution of contracts with customers. Contract assets represent the group's right to consideration for services provided to customers but which have not yet been certified or invoiced. Contract liabilities arise where payment is received prior to work being completed. Refer to note 17, contract assets and liabilities, for further details in this regard.

Revenue is recognised from the group's activities, as described below:

Contracting revenue
The group recognises revenue over time by measuring the progress towards the satisfaction of performance obligations stipulated in its contracts with customers for the construction of assets. Progress is measured using the costs incurred to date over the total estimated construction cost of the contract. Refer to note 17 for further guidance.

Commercial quarry aggregates and gypsum revenue
The group recognises revenue at a point in time, being when the customer takes possession of the goods.

Sale of ore
The group recognises revenue at a point in time, being when the customer takes possession of the ore. The amount of revenue recognised is based on the price included in the agreement. Depending on contractual terms a portion of the transaction price is fixed and another portion may vary based on the actual quantity or quality of ore extracted from the material delivered to customers. The portion of the transaction price that may vary dependent on actual quantity or quality of the ore is not deemed to be significant.

Bitumen and emulsion products
The group recognises revenue at a point in time, being when the customer takes possession of the bitumen and emulsion products.

Asphalt supply revenue
The group recognises revenue at a point in time, being when the customer takes possession of the asphalt.

Plant hire revenue
The group recognises revenue over time by measuring the progress towards the satisfaction of performance obligations. Progress is measured using operating hours for which the customer has received and consumed the benefits provided.

Property sales, property rentals and development fees
Revenue from property sales are recognised at a point in time, once legal ownership of the property has transferred to the customer.

Revenue from property rentals and development fees are recognised over time based on the satisfaction of performance obligations stipulated in the contracts with customers. Progress is measured using the costs incurred to date over the total cost of the contract.

30. Revenue (continued)

Revenue generated per activity is as follows:	**2022**	2021
	R'000	R'000
Contracting revenue	**9 208 734**	6 665 038
Commercial quarry aggregates and gypsum revenue	**1 312 339**	1 107 148
Sale of ore	**21 569**	-
Bitumen and emulsion products	**521 630**	296 156
Asphalt supply revenue	**400 857**	323 262
Plant hire revenue	**41 537**	352 180
Property sales, property rentals and development fees	**71 285**	102 670
Total revenue	**11 577 951**	8 846 454

Disaggregation of revenue

Disaggregation of revenue by activity and segment	**Materials**	**Roads and earthworks**	**Infrastructure**	**Consolidated**
	R'000	**R'000**	**R'000**	**R'000**
For the year ended 28 February 2021				
Contracting revenue	992 853	2 930 578	2 741 607	6 665 038
Commercial quarry aggregates and gypsum revenue	1 107 148	-	-	1 107 148
Bitumen and emulsion products	-	296 156	-	296 156
Asphalt supply revenue	-	323 262	-	323 262
Plant hire revenue	352 180	-	-	352 180
Property sales, property rentals and development fees	-	-	102 670	102 670
Total revenue for the year	2 452 181	3 549 996	2 844 277	8 846 454
For the year ended 28 February 2022				
Contracting revenue	**1 116 121**	**4 614 994**	**3 477 619**	**9 208 734**
Commercial quarry aggregates and gypsum revenue	**1 312 339**	**-**	**-**	**1 312 339**
Sale of ore	**21 569**	**-**	**-**	**21 569**
Bitumen and emulsion products	**-**	**521 630**	**-**	**521 630**
Asphalt supply revenue	**-**	**400 857**	**-**	**400 857**
Plant hire revenue	**41 537**	**-**	**-**	**41 537**
Property sales, property rentals and development fees	**275**	**-**	**71 010**	**71 285**
Total revenue for the year	**2 491 841**	**5 537 481**	**3 548 629**	**11 577 951**

Disaggregation of revenue by activity and geography	**South Africa**	**Rest of Africa**	**Australia**	**Consolidated**
	R'000	**R'000**	**R'000**	**R'000**
For the year ended 28 February 2021				
Contracting revenue	5 325 125	241 676	1 098 237	6 665 038
Commercial quarry aggregates and gypsum revenue	910 101	197 047	-	1 107 148
Bitumen and emulsion products	198 086	98 070	-	296 156
Asphalt supply revenue	295 184	28 078	-	323 262
Plant hire revenue	352 180	-	-	352 180
Property sales, property rentals and development fees	102 670	-	-	102 670
Total revenue for the year	7 183 346	564 871	1 098 237	8 846 454
For the year ended 28 February 2022				
Contracting revenue	**6 361 819**	**1 206 836**	**1 640 079**	**9 208 734**
Commercial quarry aggregates and gypsum revenue	**1 111 463**	**200 876**	**-**	**1 312 339**
Sale of ore	**21 569**	**-**	**-**	**21 569**
Bitumen and emulsion products	**399 524**	**122 106**	**-**	**521 630**
Asphalt supply revenue	**394 286**	**6 571**	**-**	**400 857**
Plant hire revenue	**41 537**	**-**	**-**	**41 537**
Property sales, property rentals and development fees	**71 285**	**-**	**-**	**71 285**
Total revenue for the year	**8 401 483**	**1 536 389**	**1 640 079**	**11 577 951**

Disaggregation of revenue by customer sector and geography	**South Africa**	**Rest of Africa**	**Australia**	**Consolidated**
	R'000	**R'000**	**R'000**	**R'000**
For the year ended 28 February 2021				
Public sector	1 989 167	505	792 890	2 782 562
Private sector	5 194 179	564 366	305 347	6 063 892
Total revenue for the year	7 183 346	564 871	1 098 237	8 846 454
For the year ended 28 February 2022				
Public sector	**3 222 527**	**7 001**	**813 606**	**4 043 134**
Private sector	**5 178 956**	**1 529 388**	**826 473**	**7 534 817**
Total revenue for the year	**8 401 483**	**1 536 389**	**1 640 079**	**11 577 951**

Notes to the group financial statements (continued)

31. Other income

	2022 R'000	2021 R'000
Income received under finance leases	**-**	3 114
Insurance recoveries	**6 785**	6 329
Interest on accounts receivable	**5 237**	1 921
Seta recoveries	**1 761**	1 053
Bad debts recovered	**-**	4 834
Total other income	**13 783**	17 251

32. Other gains/(losses)

Profit on sale of property, plant and equipment	**14 538**	14 537
Gain/(loss) on exchange differences	**6 095**	(14 257)
Loss on disposal of subsidiary (note 6)	**(4 524)**	(15)
Impairment of goodwill (note 13)	**(3 400)**	-
Impairment of mining right (note 13)	**(2 000)**	-
Fair value adjustment on foreign exchange contracts - assets (note 20)	**21 765**	-
Fair value adjustment on foreign exchange contracts - liabilities (note 23)	**(16 806)**	-
Gain on early termination of leases	**166**	3 198
Gain on fair value adjustments of contingent considerations (note 23)	**15 294**	5 799
Gain on fair value adjustment of preference shares (note 20)	**4 859**	3 884
Total other gains/(losses)	**35 987**	13 146

33. Expenses by nature

Included in cost of sales		
Changes in inventories (note 16)	**171 615**	105 409
Subcontractors	**3 016 397**	2 456 668
Raw materials and consumables (note 16)	**2 700 076**	1 932 317
Employee benefit expense (note 37)	**2 282 112**	1 875 828
Depreciation and amortisation (note 10, 11, 12 and 13)	**401 553**	430 736
Short-term, low-value and variable lease payments (note 12)	**67 655**	41 205
Repairs and maintenance	**628 631**	477 882
Other operating expenses	**717 528**	515 869
Total cost of sales	**9 985 567**	7 835 914
Included in administrative expenses		
Employee benefit expense (note 37)	**447 537**	406 084
Depreciation and amortisation (note 10, 11, 12 and 13)	**32 901**	29 452
Short-term, low-value and variable lease payments (note 12)	**5 393**	6 568
Other operating expenses	**186 871**	185 841
Total administrative expenses	**672 702**	627 945
Total cost of sales	**9 985 567**	7 835 914
Total administrative expenses	**672 702**	627 945
Total cost of sales and administrative expenses	**10 658 269**	8 463 859

Notes to the group financial statements (continued)

34. Finance income and costs

Interest is recognised on a time-proportion basis using the effective interest rate method.

When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Finance income:	**2022 R'000**	2021 R'000
Cash finance income		
Interest income on cash resources	**39 913**	51 867
Other interest	**4 010**	7 387
Non-cash finance income		
Accrued interest (note 20)	**16 400**	8 787
Total finance income	**60 323**	68 041

Finance costs:		
Cash finance costs		
Bank borrowings	**(34 325)**	(44 163)
Interest expense on lease liabilities (note 12)	**(29 443)**	(32 164)
Other interest	**(1 481)**	(1 355)
Non-cash finance costs		
Unwinding of discount - rehabilitation provision (note 22)	**(2 622)**	(4 320)
Unwinding of discount - voluntary rebuilding programme (note 23)	**(6 301)**	(7 018)
Unwinding of discount - retentions	**-**	1 580
Significant financing component on advance payment	**(10 235)**	(2 581)
Total finance costs	**(84 407)**	(90 021)
Net finance costs	**(24 084)**	(21 980)

35. Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period date in the countries where the company and its subsidiaries operate and generate taxable income.

35. Income tax expense (continued)

	2022 R'000	2021 R'000
South African normal taxation		
Current tax		
Current period	**115 458**	118 915
Adjustments for current tax of prior periods	**870**	824
Capital gains tax	**2 576**	1 057
Total South African normal taxation	**118 904**	120 796
Deferred tax		
Originating and reversing temporary differences	**16 468**	(91 326)
Total South African deferred taxation	**16 468**	(91 326)
Total South African taxation	**135 372**	29 470
Foreign taxation		
Current tax		
Current period	**134 783**	59 619
Adjustments for current tax of prior periods	**3 297**	(1 328)
Total foreign normal tax	**138 080**	58 291
Deferred tax		
Originating and reversing temporary differences	**14 393**	50 838
Total foreign deferred tax	**14 393**	50 838
Total foreign taxation	**152 473**	109 129
Total income tax expense	**287 845**	138 599

Reconciliation between applicable and effective tax rate:

	%	%
Applicable tax rate*	**28.00**	28.00
Goodwill written off	**0.10**	-
Expenses attributable to exempt income	**0.11**	0.32
Capital gains tax	**0.10**	(0.17)
Tax losses not recognised as deferred tax assets	**1.95**	4.85
Impairment of loan accounts	**0.24**	0.45
Prior year over/under provision	**0.46**	(0.15)
Other	**(0.67)**	0.27
Disallowed charges - share options	**0.53**	0.96
Disallowed charges - VRP settlement agreement	**0.19**	0.58
Fair value adjustments on contingent considerations	**(0.47)**	(0.48)
Fair value adjustments on foreign exchange contracts	**(0.15)**	-
Remeasurement profit on acquisition of subsidiary	**(0.29)**	-
Special allowances	**(0.30)**	(0.46)
Change in tax rate**	**(0.26)**	-
Tax at rates in foreign countries	**1.22**	2.73
Withholding tax on dividends received	**0.76**	3.67
Effective tax rate	**31.52**	40.57

** The tax rate reconciliation has been done using the statutory tax rate of Raubex Group Limited of 28% (2021: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax at rates in foreign countries". This is due to operations in Australia (30%) and Rest of Africa (22% to 35%).*

*** Change in tax rate relates to the enacted change in the tax rate of South Africa. The tax rate will change from 28% to 27% effective 1 March 2023. The change in tax rate is applicable to R66.9 million of the group's deferred tax liability which is expected to reverse subsequent to the change in tax rate.*

Notes to the group financial statements (continued)

35. Income tax expense (continued)

The tax effect relating to components of other comprehensive income is as follows:

	2022			2021		
	Before tax R'000	**Tax R'000**	**After tax R'000**	Before tax R'000	Tax R'000	After tax R'000
Currency translation differences	**(320)**	**-**	**(320)**	12 222	-	12 222
Fair value gains on equity investments	**23 740**	**(8 466)**	**15 274**	-	-	-
Actuarial (loss)/gain on post-employment benefit obligations	**(1 178)**	**352**	**(826)**	1 833	(513)	1 320
Total other comprehensive income	**22 242**	**(8 114)**	**14 128**	14 055	(513)	13 542

36. Auditors' remuneration

	2022 R'000	2021 R'000
Fees	**13 311**	12 806
Prior year (over)/under provision	**(569)**	760
Tax and non-audit services	**1 632**	1 376
Total auditors remuneration	**14 374**	14 942

37. Employee benefit expense

Pension obligations (Retirement fund contributions)

The group operates defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

One company in the group provides post-retirement healthcare benefits to their retirees. Refer to note 22 for detailed disclosure.

Profit sharing and bonus plans

The group pays performance based bonuses based on evaluations by management. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The employee benefit expense for the year is made up as follows:

	2022 R'000	2021 R'000
Wages and salaries	**2 452 086**	2 055 330
Long-term incentive performance shares granted to employees (note 38)	**17 248**	11 702
Cash retention scheme accrual	**33 452**	13 589
Retrenchment and termination cost	**6 557**	12 475
Retirement fund contributions	**96 960**	89 724
Medical aid contributions	**47 547**	43 203
Other post-employment benefits	**63**	214
Other contributions and accruals	**75 736**	55 675
Total employee benefit expense	**2 729 649**	2 281 912

Other contributions and accruals consist of contributions to the Unemployment Insurance Fund (UIF), Skills Development Levies (SDL), The Federated Employers Mutual Assurance Company (FEMA) and life policy contributions.

38. Employee Long-term Incentive Scheme

The group's long term incentive ("LTI") scheme is an equity-settled share-based compensation plan awarded to selected employees in the full time employ of the group. The scheme allows for a rolling award of performance shares (Raubex Group Limited ordinary shares) for full value with no consideration payable by the employee.

The scheme was approved by the board and shareholders at the AGM on 27 July 2018 and will continue for a period of 5 years.

The purpose of the LTI scheme is for the group to retain and incentivise selected high performing employees and those with critical and scarce skills, whose performance contributes to the sustainability of the business of the group, by granting them the opportunity to earn long term incentive bonuses, settled in ordinary shares of the Company and encouraging their continued service with the group. The scheme is further intended to promote alignment of the interests of the employees and shareholders of the company.

LTI Scheme summary:

The vesting of performance shares granted is subject to both performance conditions and employment conditions being met:

- Performance conditions are measured over a performance period of 3 years from 1 March of the year the performance shares are awarded; and
- Employment conditions are measured from grant date and require the continued employment of the participant for the duration of the employment period.

The employment period in relation to the LTI Scheme is 3 years from grant date in order to qualify for 50% of the performance shares awarded and 4 years from grant date in order to qualify for the remaining 50% of the performance shares granted.

Provided the performance conditions and employment conditions are met, 50% of the performance shares awarded vest after 3 years of service with the balance vesting after 4 years of service from the grant date.

Performance conditions comprise of KPI’s and targets which are determined by the remuneration committee ("remco") and take into consideration the group's strategic objectives and shareholder interests.

The vesting of shares awarded under the LTI scheme is subject the following performance conditions:

LTI Scheme 2018:
- Average ROICE relative to the WACC of the Raubex group
- Total Shareholder Return (“TSR”) relative to the following seven peer group companies listed under the construction and materials sector on the JSE:
  Afrimat, Aveng, Basil Read, CalgroM3, Group Five, Stefanutti Stocks and WBHO

LTI Scheme 2019, 2020 and 2021:
- Average ROICE relative to the WACC of the Raubex group
- Total Shareholder Return (“TSR”) relative to the following seven peer group companies listed under the construction and materials sector on the JSE:
  Afrimat, Balwin, CalgroM3, PPC, Sephaku, Stefanutti Stocks and WBHO

The performance conditions carry an equal weighting and have participation hurdles comprising Threshold, Target and Stretch granting 50%, 100% and 150% participation respectively.

The following table sets out a summary of the long term incentive KPI targets and weighting.

LTI Scheme 2018:

KPI's	**Weight**	**Threshold = 50% participation**	**Target = 100% participation**	**Stretch = 150% participation**
Average ROICE > WACC	50%	WACC minus 3%	WACC	WACC plus 3%
Total Shareholder Return (TSR) > peer group	50%	Raubex > median TSR of peer group	Raubex > median TSR of peer group plus 2%	Raubex > median TSR of peer group plus 4%

Notes to the group financial statements (continued)

38. Employee Long-term Incentive Scheme (continued)

LTI Scheme 2019, 2020 and 2021:

KPI's	Weight	Threshold = 50% participation	Target = 100% participation	Stretch = 150% participation
Average ROICE > WACC	50%	WACC	WACC plus 1%	WACC plus 3%
Total Shareholder Return (TSR) > peer group	50%	Raubex > median TSR of peer group	Raubex > median TSR of peer group plus 2%	Raubex > median TSR of peer group plus 4%

ROICE, WACC and TSR are defined in the company's remuneration policy as follows:

ROICE	NOPAT /(Total borrowings + total equity)
NOPAT	Profit after tax + net finance charges after tax
WACC	WACC formula= (E/V * Ke) + [(D/V* Kd)* (1 - tax rate)] E = Market value of equity V = Total market value of equity and debt Ke = Cost of equity D = Market value of debt Kd = Cost of debt Tax rate = Corporate tax rate
TSR	TSR = (change in market price per share over the performance period + dividends received per share)/market price per share at the beginning of performance period* **Market price to be determined on a 20 business-day VWAP basis prior to the start and end of the performance period.*

Under the LTI scheme, the fair value of the employee services received in exchange for the grant of the performance shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the performance shares granted. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. At each reporting date, the entity revises its estimate of the number of performance shares that are expected to vest. It recognises the impact of the revision to original estimates, in the statement of profit or loss, with a corresponding adjustment to equity. When the performance shares vest, the company issues either new shares or treasury shares held whichever is deemed to be in the best interest of the group.

The fair value of the performance shares is determined using a combination of the Monte Carlo model and the spot rate of the performance shares at grant date. Refer below for the significant inputs used to determine the fair value of the performance shares awarded:

Notes to the group financial statements (continued)

38. Employee Long-term Incentive Scheme (continued)

Arrangement	**a) LTI Scheme 2018 (ROICE)**	**b) LTI Scheme 2018 (TSR)**	**c) LTI Scheme 2019 (ROICE)**	**d) LTI Scheme 2019 (TSR)**	**e) LTI Scheme 2020 (ROICE)**	**f) LTI Scheme 2020 (TSR)**
Nature of arrangement	Performance shares granted	Performance shares granted	Performance shares granted	Performance shares granted	Performance shares granted	Performance shares granted
Options approved	911 188	911 188	1 041 801	1 041 801	972 589	972 589
Number of options granted	911 188	911 188	1 041 801	1 041 801	972 589	972 589
Number of options outstanding	-	335 951	773 072	773 072	727 737	727 737
Exercise price	R nil	R nil	R nil	R nil	R nil	R nil
Date of grant	1 August 2018	1 August 2018	1 August 2019	1 August 2019	1 August 2020	1 August 2020
Share price at the date of grant	R 19.85	R 19.85	R 19.24	R 19.24	R 24.96	R 24.96
Contractual life	4 years	4 years	4 years	4 years	4 years	4 years
Vesting conditions	Refer to LTI summary above	Refer to LTI summary above	Refer to LTI summary above	Refer to LTI summary above	Refer to LTI summary above	Refer to LTI summary above
Performance period:	1 Mar 2018 to 28 Feb 2021	1 Mar 2018 to 28 Feb 2021	1 Mar 2019 to 28 Feb 2022	1 Mar 2019 to 28 Feb 2022	1 Mar 2020 to 28 Feb 2023	1 Mar 2020 to 28 Feb 2023
Employment period (1st 50%):	1 Aug 2018 to 31 Jul 2021	1 Aug 2018 to 31 Jul 2021	1 Aug 2019 to 31 Jul 2022	1 Aug 2019 to 31 Jul 2022	1 Aug 2020 to 31 Jul 2023	1 Aug 2020 to 31 Jul 2023
Employment period (remaining 50%):	1 Aug 2018 to 31 Jul 2022	1 Aug 2018 to 31 Jul 2022	1 Aug 2019 to 31 Jul 2023	1 Aug 2019 to 31 Jul 2023	1 Aug 2020 to 31 Jul 2024	1 Aug 2020 to 31 Jul 2024
Settlement	Shares	Shares	Shares	Shares	Shares	Shares
Expected volatility	n/a	33.8%	n/a	33.4%	n/a	38.1%
Expected option life at grant date	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years
Risk free interest rate	7.84%	7.84%	6.99%	6.99%	4.11%	4.11%
Expected dividend yield	3.10%	3.10%	2.00%	2.00%	2.00%	2.00%
Expected departures (grant date)	0%	0%	0%	0%	0%	0%
Expected outcome of meeting performance criteria (grant date)	0%	150%	0%	100%	100%	100%
Fair value of options determined at the grant date	R 17.77	R 22.97	R 17.98	R 21.66	R 24.96	R 34.36
Valuation model	Spot rate at grant date	Monte - Carlo	Spot rate at grant date	Monte - Carlo	Spot rate at grant date	Monte - Carlo

38. Employee Long-term Incentive Scheme (continued)

Arrangements (continued)	**g) LTI Scheme 2021 (ROICE)***	**h) LTI Scheme 2021 (TSR)***
Nature of arrangement	Performance shares granted	Performance shares granted
Options approved	636 771.5	636 771.5
Number of options granted	636 771.5	636 771.5
Number of options outstanding	636 771.5	636 771.5
Exercise price	R nil	R nil
Date of grant	1 Aug 2021	1 Aug 2021
Share price at the date of grant	R 28.50	R 35.89
Contractual life	4 years	4 years
Vesting conditions	Refer to LTI summary above	Refer to LTI summary above
Performance period:	1 Mar 2021 to 28 Feb 2024	1 Mar 2021 to 28 Feb 2024
Employment period (1st 50%):	1 Aug 2021 to 31 Jul 2024	1 Aug 2021 to 31 Jul 2024
Employment period (remaining 50%):	1 Aug 2021 to 31 Jul 2025	1 Aug 2021 to 31 Jul 2025
Settlement	Shares	Shares
Expected volatility	n/a	41.5%
Expected option life at grant date	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years	1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years
Risk free interest rate	4.95%	4.95%
Expected dividend yield	1.12%	1.12%
Expected departures (grant date)	5%	5%
Expected outcome of meeting	100%	100%
Fair value of options determined at the	R 28.50	R 35.89
Valuation model	Spot rate at grant date	Monte - Carlo

* JT Jordaan appointed 4 November 2021 was also awarded performance shares on a pro rata basis based on the same terms as above. The performance share grant date value for the portion relating to ROICE was R35.31 and the TSR share value was R35.97 . All other terms are the same as those disclosed above.

38. Employee Long-term Incentive Scheme (continued)

The following information applies to options outstanding at the end of each period:

28 February 2021			
	Number of shares	Weighted average remaining life (yrs.)	
LTI	('000)	Expected	Contractual
a and b 1st 50%	740 187	0.4	0.4
a and b 2nd 50%	740 187	1.4	1.4
c and d 1st 50%	773 072	1.4	1.4
c and d 2nd 50%	773 072	2.4	2.4
e and f 1st 50%	727 737	2.4	2.4
e and f 2nd 50%	727 737	3.4	3.4

28 February 2022			
	Number of shares	Weighted average remaining life (yrs.)	
LTI	('000)	Expected	Contractual
a and b 1st 50%*	-	-	-
a and b 2nd 50%	**335 951**	0.4	0.4
c and d 1st 50%	**773 072**	0.4	0.4
c and d 2nd 50%	**773 072**	1.4	1.4
e and f 1st 50%	**727 737**	1.4	1.4
e and f 2nd 50%	**727 737**	2.4	2.4
g and h 1st 50%	**636 772**	2.4	2.4
g and h 2nd 50%	**636 772**	3.4	3.4

* During the year the first 50% of scheme a) and b) vested to participants

A reconciliation of movements in the number of performance shares can be summarised as follows:

	2022		2021	
	Number of shares	**Exercise price**	Number of shares	Exercise price
Outstanding at beginning of year	**4 481 991**	**R 0.00**	3 905 977	R 0.00
Performance shares granted	**1 273 543**	**R 0.00**	1 945 177	R 0.00
Performance shares forfeited	**(740 187)**	**R 0.00**	(1 369 163)	R 0.00
Performance shares vested	**(404 237)**	**R 0.00**	-	R 0.00
Outstanding at end of year	**4 611 111**	**R 0.00**	4 481 991	R 0.00
Exercisable at end of year	**-**	**R 0.00**	-	R 0.00

The amounts recognised in the financial statements (before tax) for share-based payment transactions with employees can be summarised as follows:

	2022	2021
Expense – equity settled arrangements	**R'000**	R'000
Employee long term incentive (note 37)	**17 248**	11 702
Total equity settled share based payment expense	**17 248**	11 702

Notes to the group financial statements (continued)

39. Cash generated from operations

	2022 R'000	2021 R'000
Profit before income tax	**913 278**	341 612
Adjustment for:		
Depreciation (note 10)	**375 392**	404 355
Depreciation on investment property (note 11)	**27**	-
Depreciation on right-of-use assets (note 12)	**43 668**	47 291
Amortisation (note 13)	**15 367**	8 542
Goodwill and mining right impairment (note 13)	**5 400**	-
Profit on sale of property, plant and equipment (note 32)	**(14 538)**	(14 537)
Finance income (note 34)	**(60 323)**	(68 041)
Finance costs (note 34)	**84 407**	90 021
Foreign exchange (gains)/losses - unrealised	**(8 286)**	599
Provisions (note 22)	**20 553**	(1 587)
Share of loss of equity accounted investments (note 14)	**7 954**	864
Performance shares granted to employees (note 38)	**17 248**	11 702
Gain on early termination of leases	**(166)**	(3 198)
Loss on disposal of subsidiary (note 32)	**4 524**	15
Impairment on loans to associates (note 14)	**-**	5 500
Non cash settlement of prior works relating to Zimborders contract (note 15 and note 20)	**-**	(75 849)
Gain on fair value adjustment of contingent considerations (note 23)	**(15 294)**	(5 799)
Gain on fair value adjustment of preference share (note 20)	**(4 859)**	(3 884)
Gain on fair value adjustment of foreign exchange contract (note 20 and 23)	**(4 959)**	-
Changes in working capital		
Inventories	**(281 027)**	(105 409)
Trade and other receivables	**(568 502)**	249 272
Contract assets	**(136 320)**	(1 184)
Contract liabilities	**271 237**	439 795
Trade and other payables	**150 309**	24 336
Changes in other financial liabilities		
Voluntary rebuilding programme payment (note 23)	**(15 000)**	(15 000)
Net cash generated from operations	**800 090**	1 329 416

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

Net book amount (note 10)	**156 810**	87 241
Profit on disposal of property, plant and equipment (note 32)	**14 538**	14 537
Proceeds from disposal of property, plant and equipment	**171 348**	101 778

In the statement of cash flows taxation paid is calculated as follows:

Balance due at beginning of the year	**11 114**	23 173
Current year tax charge (note 35)	**256 984**	179 087
Acquisition of subsidiary	**286**	-
Disposal of subsidiary	**249**	(531)
Balance payable at end of the year	**(55 998)**	(11 114)
Taxation paid	**212 635**	190 615

Notes to the group financial statements (continued)

39.1. Cash flow from financing activities

An analysis of movements in liabilities arising from financing activities for each period has been presented below:

	Contingent consideration R'000	Lease Liabilities R'000	Borrowings - Unsecured Loans R'000	Borrowings - Bank Borrowings and loans from related parties R'000
Balance at 1 March 2020	42 370	455 098	2 309	788 216
Total repayments of financial liabilities	-	(68 126)	-	(407 328)
Interest accrued on financial liabilities	-	32 164	-	44 163
Capital repayments of financial liabilities	-	(35 962)	-	(363 165)
Proceeds from financial liabilities	-	-	177	354 243
Fair value adjustments	(5 799)	-	-	-
Acquisition of leases	-	14 226	-	-
Termination of leases	-	(57 286)	-	-
Lease modifications and reassessments	-	5 804	-	-
Disposal of subsidiary	-	-	-	(5 169)
Foreign exchange differences	-	-	-	10 639
Balance at 28 February 2021	36 571	381 880	2 486	784 764
Note	23	12	21	21

	Contingent consideration R'000	Lease Liabilities R'000	Borrowings - Loans from related parties R'000	Borrowings - Bank Borrowings R'000
Balance at 1 March 2021	**36 571**	**381 880**	**2 486**	**784 764**
Total repayments of financial liabilities	**-**	**(67 787)**	**(24)**	**(565 475)**
Interest accrued on financial liabilities	**-**	**29 443**	**-**	**34 325**
Capital repayments of financial liabilities	**-**	**(38 344)**	**(24)**	**(531 150)**
Proceeds from financial liabilities	**-**	**-**	**-**	**546 127**
Fair value adjustments	**(15 294)**	**-**	**-**	**-**
Acquisition of leases	**-**	**22 380**	**-**	**-**
Termination of leases	**-**	**(1 377)**	**-**	**-**
Lease modifications and reassessments	**-**	**1 599**	**-**	**-**
Disposal of subsidiary	**-**	**(2 364)**	**-**	**-**
Acquisition of subsidiary	**1 465**	**91 951**	**108 035**	**53 708**
Foreign exchange differences	**-**	**(3)**	**-**	**(4 057)**
Balance at 28 February 2022	**22 742**	**455 722**	**110 497**	**849 392**
Note	23	12	21	21

Notes to the group financial statements (continued)

40. Related parties

Relationships

Associates and joint ventures — Refer to note 14

Companies and trusts controlled by directors, directors and non-controlling shareholders of subsidiaries:
Bapedi Nation
Independent Family Trust
Klaas en Ellie Beleggings (Pty) Ltd
MD Dikoko
NFG Property Sales (Pty) Ltd
Pelagic Resources PTE Limited
RJ Fourie Boerdery
Royal Bafokeng Nation Development Trust
Waalprop Commercial (Pty) Ltd

Related party balances

	2022	2021
Amounts included in trade receivables regarding related parties	**R'000**	R'000
Centremark Roadmarking (Pty) Ltd	**-**	234
Lufhereng Development Company (Pty) Ltd	**115 889**	70 332
Ndlu Housing (Pty) Ltd	**13 588**	13 372
RJ Fourie Boerdery	**4**	2
Voliere Development Company (Pty) Ltd	**3 187**	-
Receivables from related parties (refer to note 18)	**132 668**	83 940
Amounts included in trade payables regarding related parties		
Centremark Roadmarking (Pty) Ltd	**968**	633
Ndlu Housing (Pty) Ltd	**6**	1 844
Payables due to related parties (refer to note 24)	**974**	2 477
Loans to related parties		
MD Dikoko	**187**	187
Loans to related parties (refer to note 18)	**187**	187

The loans are unsecured, interest free and have no fixed terms of repayment.

Loans to entities controlled by key management:		
At beginning of year	**187**	3 642
Loans advanced during the year	**-**	-
Loan repayments received	**-**	(3 455)
At end of year	**187**	187
Total loans to related parties:		
At beginning of year	**187**	3 642
Loans advanced during the year	**-**	-
Loan repayments received	**-**	(3 455)
At end of year (refer to note 18)	**187**	187
Loans from related parties		
Included in trade payables (note 24):		
Klaas en Ellie Beleggings (Pty) Ltd	**-**	501
Royal Bafokeng Nation Development Trust	**100**	-
Included in borrowings (note 21):		
Bapedi Nation	**10 094**	-
Independent Family Trust	**2 462**	2 485
Pelagic Resources PTE Limited	**97 941**	-
Loans from related parties	**110 597**	2 986

40. Related parties (continued)

	2022 R'000	2021 R'000
Loans from entities controlled by key management:		
At beginning of year	**2 986**	5 960
Loans received during the year	**-**	176
Loan repayments made	**(2 986)**	(3 150)
At end of year	**-**	2 986
Loans from non-controlling shareholders of group entities:		
At beginning of year	**-**	-
Loans received during the year	**110 621**	-
Loan repayments made	**(24)**	-
At end of year	**110 597**	-
Total loans from related parties:		
At beginning of year	**2 986**	5 960
Loans received during the year	**110 621**	176
Loan repayments made	**(3 010)**	(3 150)
At end of year (refer to note 21 and note 24)	**110 597**	2 986

The unsecured loans are interest free and have no fixed terms of repayment.

Subcontractors' fees received from / (paid to) related parties (note 30 and note 33)

	2022 R'000	2021 R'000
Centremark Roadmarking (Pty) Ltd	**(2 096)**	743
Lufhereng Development Company (Pty) Ltd	**223 271**	189 335
Ndlu Housing (Pty) Ltd	**7 030**	5 450
	228 205	195 528

Rental of equipment and premises paid to related parties (note 33)

	2022 R'000	2021 R'000
NFG Property Sales (Pty) Ltd	**(492)**	(468)
Waalprop Commercial (Pty) Ltd	**(161)**	(152)
	(653)	(620)

Other fees received from related parties (note 33)

	2022 R'000	2021 R'000
RJ Fourie Boerdery	**105**	22
	105	22

Related party transactions with directors and prescribed officers

Directors' emoluments

2021	Directors fees R'000	Salaries R'000	Incentive Bonuses R'000	Retirement fund contributions R'000	Other benefits R'000	Total Emoluments R'000
Executive						
RJ Fourie	-	3 503	6 752	343	284	10 882
JF Gibson	-	2 578	4 677	237	33	7 525
NF Msiza	-	2 655	4 786	244	-	7 685
Total emoluments	-	8 736	16 215	824	317	26 092
Non-executive						
F Kenney	1 113	-	-	-	-	1 113
LA Maxwell	904	-	-	-	-	904
BH Kent	696	-	-	-	-	696
SR Bogatsu	696	-	-	-	-	696
Total emoluments	3 409	-	-	-	-	3 409

40. Related parties (continued)

Related party transactions with directors and prescribed officers (continued)

Directors emoluments (continued)

2022	Directors fees R'000	Salaries R'000	Short-term Incentive Bonuses R'000	Long-term Incentive Bonuses R'000	Retirement fund contributions R'000	Other benefits R'000	Total Emoluments R'000
Executive							
RJ Fourie	-	**3 955**	**5 435**	**4 223**	**387**	**464**	**14 464**
JF Gibson*	-	**1 116**	**6 764**	**2 919**	**112**	**346**	**11 257**
SJ Odendaal**	-	**1 802**	**907**	-	**166**	**278**	**3 153**
NF Msiza	-	**2 987**	**3 851**	**1 494**	**276**	**88**	**8 696**
Total emoluments	-	**9 860**	**16 957**	**8 636**	**941**	**1 176**	**37 570**
Non-executive							
F Kenney	**1 180**	-	-	-	-	-	**1 180**
LA Maxwell	**959**	-	-	-	-	-	**959**
BH Kent	**737**	-	-	-	-	-	**737**
SR Bogatsu	**737**	-	-	-	-	-	**737**
Total emoluments	**3 613**	-	-	-	-	-	**3 613**

** Tendered resignation as financial director on 26 January 2021 effective 31 May 2021 with employment to 31 July 2021.*
*** Appointed as financial director effective 1 June 2021.*

Prescribed officers emoluments 2021	Salaries R'000	Incentive Bonuses R'000	Retirement fund contributions R'000	Other benefits R'000	Total Emoluments R'000
LJ Raubenheimer	2 485	5 693	250	315	8 743
IJM van Niekerk*	1 219	5 255	123	513	7 110
RL Shedlock	3 558	6 164	478	567	10 767
DC Lourens	2 470	5 331	226	253	8 280
JA Louw	1 639	2 873	151	210	4 873
GM Chemaly	1 582	839	147	13	2 581
Total emoluments	12 953	26 155	1 375	1 871	42 354

** Resigned effective 30 September 2021*

Prescribed officers emoluments 2022	Salaries R'000	Short-term Incentive Bonuses R'000	Long-term Incentive Bonuses R'000	Retirement fund contributions R'000	Other benefits R'000	Total Emoluments R'000
LJ Raubenheimer	**2 819**	**4 990**	**3 113**	**283**	**454**	**11 659**
JT Jordaan*	**722**	-	-	**71**	**90**	**883**
RL Shedlock	**4 054**	**4 924**	**2 274**	**485**	**778**	**12 515**
DC Lourens	**2 858**	**4 096**	**2 023**	**264**	**365**	**9 606**
JA Louw	**1 853**	**2 314**	**1 020**	**171**	**278**	**5 636**
GM Chemaly	**1 685**	**691**	**214**	**156**	**41**	**2 787**
Total emoluments	**13 991**	**17 015**	**8 644**	**1 430**	**2 006**	**43 086**

** Appointed effective 4 November 2021*

Performance shares granted to directors and prescribed officers

Performance shares 2021	Shares outstanding at 1 March 2020	Shares granted during the year	Shares forfeited during the year	Shares exercised during the year	Shares outstanding at 28 February 2021	Strike price	IFRS 2 expense recognised during the year (R'000)
Executive directors							
RJ Fourie	837 521	352 376	-	-	1 189 897	R 0.00	3 855
JF Gibson	579 473	244 082	(686 984)	-	136 571	R 0.00	(892)
NF Msiza	296 539	166 477	-	-	463 016	R 0.00	1 539
Prescribed officers							
LJ Raubenheimer	616 791	259 390	-	-	876 181	R 0.00	2 839
IJM van Niekerk	436 557	245 622	(682 179)	-	-	R 0.00	(1 686)
RL Shedlock	456 038	258 143	-	-	714 181	R 0.00	2 374
DC Lourens	415 367	257 282	-	-	672 649	R 0.00	2 250
JA Louw	202 981	114 304	-	-	317 285	R 0.00	1 055
GM Chemaly	64 710	47 501	-	-	112 211	R 0.00	373

The performance shares granted to directors and prescribed officers during the prior year are in terms of the long term incentive scheme, details of which are set out in note 38 to these group financial statements.

40. Related parties (continued)

Related party transactions with directors and prescribed officers (continued)

Performance shares granted to directors and prescribed officers (continued)

Performance shares 2022	Shares outstanding at 1 March 2021	Shares granted during the year	Shares forfeited during the year	Shares vested during the year	Shares outstanding at 28 February 2022	Strike price	IFRS 2 expense recognised during the year (R'000)
Executive directors							
RJ Fourie	**1 189 897**	**250 466**	**(197 575)**	**(98 787)**	**1 144 001**	**R 0.00**	**4 277**
JF Gibson*	**136 571**	**-**	**(68 286)**	**(68 286)**	**-**	**R 0.00**	**220**
SJ Odendaal**	**-**	**124 152**	**-**	**-**	**124 152**	**R 0.00**	**563**
NF Msiza	**463 016**	**118 363**	**(69 908)**	**(34 954)**	**476 517**	**R 0.00**	**1 749**
Prescribed officers							
LJ Raubenheimer	**876 181**	**184 696**	**(145 658)**	**(72 829)**	**842 390**	**R 0.00**	**3 148**
JT Jordaan***	**-**	**114 566**	**-**	**-**	**114 566**	**R 0.00**	**343**
RL Shedlock	**714 181**	**183 535**	**(106 369)**	**(53 184)**	**738 163**	**R 0.00**	**2 704**
DC Lourens	**672 649**	**182 792**	**(94 660)**	**(47 330)**	**713 452**	**R 0.00**	**2 591**
JA Louw	**317 285**	**81 212**	**(47 733)**	**(23 867)**	**326 898**	**R 0.00**	**1 199**
GM Chemaly	**112 211**	**33 761**	**(10 000)**	**(5 000)**	**130 972**	**R 0.00**	**454**

** Tendered resignation as financial director on 26 January 2021 effective 31 May 2021 with employment to 31 July 2021.*
*** Appointed as financial director effective 1 June 2021.*
**** Appointed effective 4 November 2021.*

The performance shares granted, forfeited and vested during the year are in terms of the long term incentive scheme, details of which are set out in note 38 to these group financial statements.

The forfeited performance shares relates to 100% of the "LTI Scheme 2018 (ROICE)" granted on 1 August 2018, where the ROICE performance condition was not met.

The performance shares that vested during the year relates to the 1st 50% of "LTI Scheme 2018 (TSR)" that were issued on 1 August 2018, where the stretch participation hurdle was achieved on the TSR performance condition. Therefore participants were awarded 1.5 Raubex Group Limited shares for each performance share that vested.

Interests of directors in the share capital

Details of ordinary shares held directly and indirectly per individual director are listed below as at 28 February 2022.

	2022 Number of shares	2021 Number of shares
Beneficial		
Direct and Indirect		
RJ Fourie	**3 692 302**	4 603 676
F Kenney	**4 065 384**	4 065 384

At the date of this report, these interests remained unchanged.

41. Directors', prescribed officers and key management emoluments

Executive	**2022 R'000**	2021 R'000
For services as directors of the company	**37 570**	26 092
For services as prescribed officers of the company	**43 086**	42 354
For services as key management	**131 093**	91 873

Prescribed officers of the company consist of the company secretary and executive committee members who are not directors of the company.

Key management consists of directors of subsidiaries who are not defined as prescribed officers of the company.

	Salaries R'000	Short-term incentive bonuses R'000	Retention Scheme R'000	Retirement fund contributions R'000	Other benefits R'000	Total Emoluments R'000
Key management emoluments 2021	53 100	25 095	-	6 025	7 653	91 873
Key management emoluments 2022	**65 448**	**21 536**	**24 119**	**7 527**	**12 463**	**131 093**

Notes to the group financial statements (continued)

42. Commitments

Capital commitments

Capital expenditure contracted for at the reporting date but not yet incurred are as follows:

	2022 R'000	2021 R'000
Property, plant and equipment	**7 501**	3 224
Total capital commitments	**7 501**	3 224

Voluntary rebuilding programme commitment

The future voluntary rebuilding programme commitment, consisting of the 6 remaining payments of R15 million per annum to be settled on 1 July each year, amounts to the following at year end:

	2022 R'000	2021 R'000
Voluntary rebuilding programme (refer to note 23)	**90 000**	105 000

The above has been raised as a liability in the statement of financial position at year end.

43. Contingencies

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 432.8 million (2021: R3 156.7 million). The directors do not believe that any exposure to loss is likely. Total available facilities in this regard amount to R5 034.0 million (2021: R4 900.3 million).

The financial institution backed contract guarantee provided to third parties and the total available facility are subject to the group maintaining certain gearing and EBITDA ratios. The ratios for purposes of these debt covenants are calculated in note 9 – capital risk management.

The group is, from time to time, involved in various claims and legal proceedings arising in the ordinary course of business. The directors do not believe that adverse decisions in any pending proceedings or claims, against the group will have a material adverse effect on the financial position or future operations of the group.

Notes to the group financial statements (continued)

44. Interest in subsidiaries

		Country of incorporation and place of business	Issued share capital	Effective % held by the group 2022	Effective % held by the group 2021	Effective % held by non-controlling interests 2022	Effective % held by non-controlling interests 2021	Shares at cost 2022	Shares at cost 2021
			Shares	%	%	%	%	R'000	R'000
Direct									
Raubex (Pty) Ltd	H	South Africa	300	100	100	-	-	2 018 163	2 018 163
Raubex FIC (Pty) Ltd	H	South Africa	200	100	100	-	-	153 000	75 127
Raubex Foreign Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	-	-
L&R Civils (Pty) Ltd	I	South Africa	300	100	80	-	20	-	-
Indirect									
Akasia Road Surfacing (Pty) Ltd	A	South Africa	100	100	100	-	-	120 796	120 796
Aliwal Dolorite Quarry (Pty) Ltd	Q	South Africa	100	74	74	26	26	7 619	7 619
B&E International - North (Namibia) (Pty) Ltd	P	Namibia	100	100	100	-	-	-	-
B&E International (Botswana) (Pty) Ltd	D	Botswana	10 000	74	74	26	26	-	-
B&E International (Foreign) (Pty) Ltd	C	South Africa	100	100	100	-	-	-	-
B&E International (Namibia) (Pty) Ltd	C	Namibia	200	74	74	26	26	-	-
B&E International (Pty) Ltd	C	South Africa	1 000	100	100	-	-	473 844	473 844
B&E International Mining (Pty) Ltd	C	South Africa	100	100	100	-	-	-	-
B&E International Mozambique Limitada	C	Mozambique	16 835	100	100	-	-	-	-
B&E International Swaziland (Pty) Ltd	C	Eswatini	100	100	100	-	-	-	-
Bauba Resources Limited*	M	South Africa	749 817 498	51.09	-	48.91	-	137 597	-
Bauba A Hlabirwa Mining Investments (Pty) Ltd*	M	South Africa	125	30.65	-	69.35	-	-	-
Belabela Asphalt (Pty) Ltd	A	Botswana	100	49	49	51	51	1	1
Belabela Quarries (Pty) Ltd	Q	Botswana	1 660 000	74	74	26	26	-	-
Burma Plant Hire (Pty) Ltd	P	South Africa	100	100	100	-	-	11 532	11 532
Burma Plant Hire and Mining (Pty) Ltd	P	South Africa	100	74	74	26	26	-	-
Burma Plant Hire (Namibia) (Pty) Ltd	P	Namibia	100	100	100	-	-	-	-
Canyon Rock (Pty) Ltd	Q	South Africa	120	74	74	26	26	46 294	46 294
Cloetesdal Developments (Pty) Ltd	I	South Africa	100	74	74	26	26	-	-
Comar Plant Design and Manufacturing (Pty) Ltd	P	South Africa	1 000	100	100	-	-	3 000	3 000
Crushco (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
Donkerhoek Quarry (Pty) Ltd	Q	South Africa	200	70	70	30	30	-	-
Donkerhoek Quartzite (Pty) Ltd	Q	South Africa	4 000	74	74	26	26	-	-
Empa Structures (Pty) Ltd	I	South Africa	100	70	70	30	30	4 099	4 099
Forte Demolition Solutions (Pty) Ltd	T	South Africa	100	49	49	51	51	-	-
Forward Infra (Pty) Ltd	RM	South Africa	100	49	49	51	51	-	-
Greenmined Environmental (Pty) Ltd	E	South Africa	1 000	100	100	-	-	-	-
Harding Quarry (Pty) Ltd	Q	South Africa	870 000	74	74	26	26	-	-
Howard Quarry (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-

44. Interest in subsidiaries (continued)

		Country of incorporation and place of business	Issued share capital	Effective % held by the group	Effective % held by the group	Effective % held by non-controlling interests	Effective % held by non-controlling interests	Shares at cost	Shares at cost
			Shares	2022	2021	2022	2021	2022	2021
				%	%	%	%	R'000	R'000
Indirect (continued)									
Inzalo Crushing and Aggregates (Pty) Ltd	Q	South Africa	10 000	74	74	26	26	9	9
Komani Quarry (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-
Lime Sales Ltd*	Q	South Africa	100	-	74	-	26	-	37 000
Malmesbury Sand (Pty) Ltd	Q	South Africa	4 000	100	100	-	-	10 600	10 600
Matlosana Industries (Pty) Ltd	Q	South Africa	100	60	60	40	40	-	-
Metadynamics (Pty) Ltd	G	South Africa	120	49	49	51	51	-	-
Middelburg Quarry (Pty) Ltd	Q	South Africa	100	74	74	26	26	2 300	2 300
Milling Techniks (Pty) Ltd	R	South Africa	100	100	100	-	-	15 000	15 000
Narindonde Construction (Pty) Ltd	C	Namibia	100	74	74	26	26	-	-
National Asphalt (Pty) Ltd	A	South Africa	100	100	100	-	-	-	-
Nuco Chrome Bophuthatswana (Pty) Ltd*	M	South Africa	100	37.81	-	62.19	-	-	-
OMV (Pty) Ltd	Q	South Africa	800	70	70	30	30	54 452	54 452
OMV Kimberley (Pty) Ltd	Q	South Africa	800	100	100	-	-	37 500	37 500
OMV Kimberley Mining (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
OMV Mining (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
OMV Stilfontein (Pty) Ltd	D	South Africa	800	70	70	30	30	34 706	34 706
Petra Quarry (Pty) Ltd	Q	South Africa	100	74	74	26	26	3 849	3 849
Phuhlisa Development Solutions (Pty) Ltd	F	South Africa	1 000	80	80	20	20	418	418
Pietermaritzburg Quarry (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-
Queenstown Quarry (Pty) Ltd	Q	South Africa	100	74	74	26	26	21 929	21 929
Raubex (Pty) Ltd	H	Australia	7 000	100	100	-	-	-	-
Raubex Building (Pty) Ltd	I	South Africa	100	82	82	18	18	31 200	31 200
Raubex Building Group (Pty) Ltd	I	South Africa	1 000	82	82	18	18	-	-
Raubex Construction (Pty) Ltd	R	South Africa	1 000	100	100	-	-	87 301	87 301
Raubex Construction (Pty) Ltd*	R	Australia	100	70	68	30	32	933	-
Raubex Construction (Mauritius) Ltd	I	Mauritius	100	100	100	-	-	1	1
Raubex Construction Namibia (Pty) Ltd	D	Namibia	100	49	49	51	51	-	-
Raubex Construction Zambia Ltd	R	Zambia	5 000 000	100	100	-	-	6 009	6 009
Raubex Construction Zimbabwe (Pvt) Ltd	I	Zimbabwe	1 400	65	65	35	35	1	1
Raubex Infra (Pty) Ltd	I	South Africa	900	100	100	-	-	40 224	40 224
Raubex Infrastructure Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	-	-
Raubex KZN (Pty) Ltd	R	South Africa	100	100	100	-	-	43 907	43 907

Notes to the group financial statements (continued)

44. Interest in subsidiaries (continued)

		Country of incorporation and place of business	Issued share capital	Effective % held by the group	Effective % held by the group	Effective % held by non-controlling interests	Effective % held by non-controlling interests	Shares at cost	Shares at cost
			Shares	2022	2021	2022	2021	2022	2021
				%	%	%	%	R'000	R'000
Indirect (continued)									
Raubex Lesotho (Pty) Ltd	R	Lesotho	100	100	100	-	-	-	-
Raubex Ltd	I	Cameroon	1 000 000	100	100	-	-	-	-
Raubex Materials Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	14 999	14 999
Raubex Mining (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-
Raubex REI Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	-	-
Raubex Roads and Earthworks Holdings (Pty) Ltd (formerly Roadmac Holdings (Pty) Ltd)	H	South Africa	100	100	100	-	-	84 550	84 550
Raudev (Pty) Ltd	I	South Africa	100	80	80	20	20	8 084	8 084
Raumix Aggregates (Pty) Ltd	Q	South Africa	916	100	100	-	-	-	-
Raumix Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	23 674	23 674
Raumix Mining (Pty) Ltd	Q	South Africa	100	100	100	-	-	-	-
Roadmac Chip and Seal (Pty) Ltd	R	Namibia	100	49	49	51	51	-	-
Roadmac Surfacing (Pty) Ltd	R	South Africa	100	100	100	-	-	20 000	20 000
Roadmac Surfacing Cape (Pty) Ltd	R	South Africa	200	100	100	-	-	24 299	24 299
Shisalanga Construction (Pty) Ltd	A	South Africa	100	76	76	24	24	48 300	48 300
SPH Sand (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
SPH Kundalila (Pty) Ltd (SPH Group)	C	South Africa	100	100	100	-	-	111 336	111 336
SPH Kundalila Mining (Pty) Ltd	Q	South Africa	100	49	49	51	51	-	-
Strata Civils (Pty) Ltd	I	South Africa	500	100	100	-	-	-	-
Syiaka Specialised Services (Pty) Ltd*	C	South Africa	100	49	-	51	-	-	-
Tosas (Pty) Ltd	H	South Africa	100	100	100	-	-	120 000	120 000
Tosas Eastern Cape (Pty) Ltd	B	South Africa	100	50	50	50	50	-	-
Tosas Botswana (Pty) Ltd	B	Botswana	134	100	100	-	-	-	-
Tosas Namibia (Pty) Ltd	B	Namibia	100	100	100	-	-	-	-
Transkei Quarries (Pty) Ltd	Q	South Africa	100	49	49	51	51	-	-
Turnkey Real Estate Company (Pty) Ltd	I	South Africa	100	82	82	18	18	1	1
Verlesha (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
Westforce Construction (Pty) Ltd*	I	Australia	4 000	80	70	20	30	88 011	64 035
Westforce Hire (Pty) Ltd	I	Australia	100	70	70	30	30	-	-
Willows Quarries (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
Zisena (Pty) Ltd	R	South Africa	100	49	49	51	51	-	-

* Refer to note 6 for detail regarding the movement of shares.

100% owned dormant entities have not been disclosed in the table above.

44. Interest in subsidiaries (continued)

Nature of business:

A	Asphalt production
B	Manufacturing and distribution of value added bituminous products
C	Contract crushing and material handling
D	Dormant entity
E	Application for water permits, mining licenses and environmental control
F	Professional consulting firm - Engineering and project management services
G	Gypsum calcining and milling entity
H	Investment and holding company
I	Infrastructure
RM	Road marking
M	Mining
P	Plant hire, plant manufacture and plant design
Q	Commercial quarrying
R	Rehabilitation of roads, civil and general construction work
T	Turnkey demolition, remediation and asbestos abatement solutions entity

Roadmac Surfacing (Pty) Ltd operates through a branch registered in Namibia.
Raubex (Pty) Ltd operates through branches registered in Namibia and Zimbabwe.
Raubex Construction (Pty) Ltd operates through a branch registered in Botswana.
B&E International (Foreign) (Pty) Ltd operates through a branch registered in Zimbabwe.

The group tests annually whether control exist in entities in which the group holds less than 50%. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Management has assessed that, in terms of IFRS 10, the group is considered to exercise control over these entities through its ability to affect returns and direct the entities relevant activities, despite owning less that 50% of the issued shares. Thus the group has power over and is exposed to, or has rights to, variable returns from its involvement with these entities:

- Belabela Asphalt (Pty) Ltd
- Forte Demolition Solutions (Pty) Ltd
- Forward Infra (Pty) Ltd
- Metadynamics (Pty) Ltd
- Raubex Construction Namibia (Pty) Ltd
- Roadmac Chip and Seal (Pty) Ltd
- Syiaka Specialised Services (Pty) Ltd
- Transkei Quarries (Pty) Ltd
- Zisena (Pty) Ltd

Management considered the following factors in determining control:

- The involvement of the group in decision-making over significant transactions and/or investments;
- The involvement of the group in determining the policies and processes in place at these entities;
- The number of directors the group has on the boards of these entities;
- The relation of the other shareholders of these entities to the group; and
- The dependence of these entities on the group and/or its subsidiaries.

Other than Empa Plant (Pty) Ltd and Muscle Construction (Pty) Ltd, no other group entities were deregistered during the year.

MRCN (Pty) Ltd T/A Westforce Construction changed its name to Westforce Construction (Pty) Ltd during the year.

All subsidiaries in the group have the same year ends. The group maintains a register of all subsidiaries for inspection at the registered office of Raubex Group Limited.

Significant restrictions

There are no significant restrictions on the group’s ability to access or use the assets and settle the liabilities of the group.

Notes to the group financial statements (continued)

44. Interest in subsidiaries (continued)

Set out below is the aggregate of all subsidiaries with non-controlling interests in the group:

At 28 February 2021	Total comprehensive income for the period R'000	Dividends paid to non-controlling interest R'000	Total assets R'000	Total liabilities R'000	Net increase in cash and cash equivalents R'000
Aggregate of all subsidiaries with non-controlling interests in the group*	245 748	(24 096)	2 789 614	1 767 252	112 674
Total	245 748	(24 096)	2 789 614	1 767 252	112 674
At 28 February 2022					
Aggregate of all subsidiaries with non-controlling interests in the group*	**366 874**	**(36 229)**	**4 443 832**	**2 926 302**	**7 443**
Total	**366 874**	**(36 229)**	**4 443 832**	**2 926 302**	**7 443**

At 28 February 2021	Non-controlling interest balance at the beginning of the year R'000	Total comprehensive income attributable to non-controlling interest R'000	Non-controlling interest on acquisition of subsidiary R'000	Disposal and acquisition of non-controlling interests R'000	Dividends paid to non-controlling interest R'000	Non-controlling interest balance at the end of the year R'000
Aggregate of all subsidiaries with non-controlling interests in the group*	257 417	47 376	-	(9 858)	(24 096)	270 839
Total	257 417	47 376	-	(9 858)	(24 096)	270 839
At 28 February 2022						
Aggregate of all subsidiaries with non-controlling interests in the group*	**270 839**	**72 893**	**127 105**	**(12 751)**	**(36 229)**	**421 857**
Total	**270 839**	**72 893**	**127 105**	**(12 751)**	**(36 229)**	**421 857**

* *Refer to the table at the beginning of note 44 for the full list of subsidiaries with non-controlling interest in the group. None of these individual subsidiaries are material to the group.*

Notes to the group financial statements (continued)

45. Interest in joint operations

Joint operations are those entities in which the group has joint control. The group recognises its direct right to assets, liabilities, revenue and expenses and its share of any jointly held or incurred assets, liabilities, revenue and expenses of joint operations in the consolidated financial statements.

Joint Operations	Country	Nature of business	Interest held 2022 (%)	Interest held 2021 (%)
Kentha / Raumix Joint Operation	South Africa	Aggregates	49%	49%
Phoenix Highway Joint Operation	South Africa	Road construction	60%	60%
Rau-Mon Joint Operation	South Africa	Infrastructure	87%	87%
Raubex / Enza / Joint Operation	South Africa	Road construction	80%	80%
Raubex / Enza / RB Joint Operation	South Africa	Road construction	40%	40%
Raubex / Moloto Joint Operation	South Africa	Road Construction	80%	80%
Raubex / Nodoli Joint Operation	South Africa	Infrastructure	50%	50%
Raubex / Umso Joint Operation	South Africa	Road Construction	60%	60%
Raubex / WBHO Joint Operation	South Africa	Road Construction	50%	50%
Raubex Building / Enza Construction Joint Operation	South Africa	Infrastructure	50%	50%
Raubex Building / Umso Construction Joint Operation	South Africa	Infrastructure	70%	70%
Raubex Infra / Enza Joint Operation	South Africa	Infrastructure	50%	50%
Roadmac Surfacing / Enza Joint Operation	South Africa	Road surfacing	40%	40%
Roadmac Surfacing / RTH Joint Operation	South Africa	Road surfacing	40%	40%
Sacyr Westforce Joint Operation	Australia	Infrastructure	50%	50%
Vasse Joint Operation	Australia	Infrastructure	67%	67%
Vharanani / Raubex Joint Operation	South Africa	Road surfacing	49%	49%

FINANCIAL INFORMATION:	**2022**	2021
Statement of financial position	**R'000**	R'000
(Recognised in proportion to interest in assets and liabilities)		
Assets		
Current assets	**186 944**	341 751
Non - current assets	**1 992**	2 461
Total Assets	**188 936**	344 212
Equity and liabilities		
Equity	**-**	-
Current liabilities	**187 683**	342 237
Non - current liabilities	**1 253**	1 975
Total equity and liabilities	**188 936**	344 212
Statement of profit or loss		
(Recognised in proportion to interest in assets and liabilities)		
Revenue	**578 203**	889 304
Profit attributable to group	**25 488**	17 249

The group maintains a register of all joint operations for inspection at its registered office.

Parties collectively control the arrangements and decisions about relevant activities that require unanimous consent.

Notes to the group financial statements (continued)

46. Events after the reporting period

With the acquisition of Bauba (refer to note 6) the group triggered a mandatory offer in terms of section 123 of the Companies Act, 71 of 2008 (read together with section 117 of the Companies Act, 71 of 2008 and regulation 86 of the Takeover Regulations), as a result of owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share, was opened to shareholders and has a closing date of 27 May 2022. At this stage it is still not known as to how many shareholders will take up the offer. Should the offer be taken up on all applicable shares, the expected cost to the group would be c. R85 million excluding fees and transaction costs.

The directors are not aware of any other subsequent events that occurred between year-end and date of authorisation of the annual financial statements that require any adjustment or additional disclosure in the annual financial statements.

47. Translation of foreign currencies

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 consolidated financial statements are presented in South African Rand, which is the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale, are included in the available-for-sale reserve in equity.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Notes to the group financial statements (continued)

48. Standards, interpretations and amendments to published standards

New and amended standards adopted by the group:

A number of International Financial Reporting Standards, Interpretations and Amendments have become effective for the first time for the year ended 28 February 2022.

None of the standards and amendments had a significant effect on the results of operations, the financial position of the group and the current presentation and layout of the financial statements.

New standards and interpretations not yet adopted by the group:

A number of International Financial Reporting Standards, Interpretations and Amendments have been issued during the year but are not yet effective for the year ended 28 February 2022 and have not been early adopted by the group.

None of the standards and amendments are expected to have a significant effect on the results of operations, the financial position of the group and the current presentation and layout of the financial statements.

Holding company statement of financial position

	Note	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	4.1	2 333 701	2 243 097
Loans to group companies	4.2	139 532	182 564
Total non-current assets		2 473 233	2 425 661
Current assets			
Trade and other receivables	5	-	223
Cash and cash equivalents	6	33	9
Total current assets		33	232
Total assets		2 473 266	2 425 893
EQUITY			
Ordinary shares	7	1 817	1 817
Share premium	7	2 059 776	2 059 776
Reserves		43 997	26 749
Retained income		329 569	337 110
Total equity		2 435 159	2 425 452
LIABILITIES			
Current liabilities			
Loans from group companies	4.2	37 294	-
Trade and other payables	8	813	441
Total current liabilities		38 107	441
Total liabilities		38 107	441
Total equity and liabilities		2 473 266	2 425 893

The notes on pages 103 to 111 are an integral part of these financial statements.

Holding company statement of comprehensive income

	Note	2022 R'000	2021 R'000
Revenue	9	137 955	43 620
Other gains/(losses) - net	10	(4 517)	(2 350)
Administrative expenses		(2 851)	(2 091)
Operating profit		130 587	39 179
Finance income	11	2	1
Profit before income tax		130 589	39 180
Income tax expense	12	-	-
Profit for the year		130 589	39 180
Other comprehensive income		-	-
Total comprehensive income for the year		130 589	39 180

The notes on pages 103 to 111 are an integral part of these financial statements.

Holding company statement of changes in equity

	Share capital	Share premium	Reserves for own shares/ share repurchase reserve	Retained earnings	Total equity
	R'000	R'000	R'000	R'000	R'000
Balance at 1 March 2020	1 817	2 059 776	15 047	341 550	2 418 190
Changes in equity:					
Share option reserve (note 4.1)	-	-	11 702	-	11 702
Total comprehensive income for the year	-	-	-	39 180	39 180
Dividends paid	-	-	-	(43 620)	(43 620)
Total changes	-	-	11 702	(4 440)	7 262
Balance at 28 February 2021	1 817	2 059 776	26 749	337 110	2 425 452
Changes in equity:					
Share option reserve (note 4.1)	**-**	**-**	**17 248**	**-**	**17 248**
Total comprehensive income for the year	**-**	**-**	**-**	**130 589**	**130 589**
Dividends paid	**-**	**-**	**-**	**(138 130)**	**(138 130)**
Total changes	**-**	**-**	**17 248**	**(7 541)**	**9 707**
Balance at 28 February 2022	**1 817**	**2 059 776**	**43 997**	**329 569**	**2 435 159**
Note	**7**	**7**			

The notes on pages 103 to 111 are an integral part of these financial statements.

Holding company statement of cash flows

	Note	2022 R'000	2021 R'000
Cash flow from operating activities			
Cash used in operations	**13**	**(2 256)**	(2 127)
Dividends received	**9**	**137 955**	43 620
Interest received	**11**	**2**	1
Taxation paid	**13**	**-**	(10)
Net cash generated from operating activities		**135 701**	41 484
Cash flows from investing activities			
Acquisition of subsidiaries		**(77 873)**	-
Loans to group companies advanced		**(698 849)**	(74 918)
Loans to group companies repaid		**741 881**	76 914
Net cash generated from investing activities		**(34 841)**	1 996
Cash flows from financing activities			
Dividends paid		**(138 130)**	(43 620)
Loans from group companies advanced		**520 533**	-
Loans from group companies repaid		**(483 239)**	-
Net cash used in financing activities		**(100 836)**	(43 620)
Net increase/(decrease) in cash and cash equivalents		**24**	(140)
Cash and cash equivalents at the beginning of the year		**9**	149
Cash and cash equivalents at the end of the year	**6**	**33**	9

The notes on pages 103 to 111 are an integral part of these financial statements.

Holding company notes to the financial statements

1. Summary of significant accounting policies

The financial statements of Raubex Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRS Interpretations Committee (IFRS IC), the JSE Listings Requirements and the Companies Act, 71 of 2008, of South Africa and are consistent with those of the previous year. The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

After making enquiries and taking the uncertainties created by Covid-19 into consideration, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Consideration was also been given to the fact that current liabilities exceed current assets. Due to the fact that the reason for this is the loan owed to a subsidiary company the directors are satisfied that this does not cast doubt on the company's ability to continue as a going concern. Furthermore Raubex FIC (Pty) Ltd is 100% owned by Raubex Group Limited.

1.1 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The recoverable amount of the company’s investments in subsidiaries are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Non-current loans have no set terms and are intended to provide the subsidiary with a long term source of additional capital. As a result, the loans are considered to be an interest in the subsidiary. The loans are accounted for under IFRS 9 and are carried at cost.

1.2 Financial instruments

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instruments. The company classifies its financial instruments into the following categories depending on the purpose for which the instrument was acquired. Management determines the classification at the time of initial recognition:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss (FVPL).

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the statement of comprehensive income.

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the consolidated statement of profit and loss. Refer to the relevant notes, referenced below, for the recognition and subsequent measurement principles of each of the company’s financial instruments.

No financial instruments were designated as held at fair value through profit or loss during the year. All financial instruments held at fair value through profit and loss are default classifications in terms of IFRS 9.

Holding company notes to the financial statements (continued)

1.2 Financial instruments (continued)

Financial assets held at amortised cost

Financial assets held at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Amortised cost is calculated using the effective interest rate method.

Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

The company assesses at the end of each reporting period whether there is objective evidence that financial assets are impaired. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the asset that can be reliably estimated.

A loss allowance in respect of financial assets held at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Financial assets held at amortised cost on the face of, or included in the notes to, the statement of financial position includes:

(a) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provisions for impairment.

(b) Cash and cash equivalents and bank overdrafts

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

Impairment of financial assets held at amortised cost

The company's financial assets are subject to the expected credit loss model.

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

The expected loss rates are based on the revenue payment profiles over a 12 month period before 1 March 2021 together with the corresponding historical credit losses experienced within these periods per customer classification. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP, inflation rates, prime lending rates and the credit ratings of South Africa in which it operates to be the most relevant factors, and has accordingly adjusted the historical loss rates based on expected changes in these factors.

For all other financial assets held at amortised cost, no significant expected credit loss was noted during the year. The company applies the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology relating to financial assets at amortised cost is detailed in note 4.2 of the company annual financial statements.

In determining the recoverability of trade and other receivables, the company considers, amongst others, the frequency of payments, the financial performance of the relevant parties and any contractual agreements that might be in place. If there is no reasonable expectation of recovery then the trade receivable is written off. Where receivables are written off, it is company policy to continue to engage in enforcement activity in order to attempt to recover the receivable due. When recoveries are made, these are included in profit and loss.

Financial liabilities held at amortised cost

These instruments include trade payables, accruals, bank overdrafts and contingent consideration liabilities and are carried at amortised cost. Financial liabilities shown on the face of, or included in notes to, the statement of financial position include:

(a) Trade and other payables

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The obligation arising is expected to be settled within 12 months of the reporting date.

Holding company notes to the financial statements (continued)

1.2 Financial instruments (continued)

Derecognition

Financial instruments are derecognised when substantially all risks and rewards of ownership have been transferred.

Financial assets or a portion thereof are derecognised when the company's contractual rights to the cash flows expire or when the company transfers all the risks and rewards related to the financial asset or when the company loses control of the financial asset. Financial liabilities or a portion thereof are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.4 Share based payments

The company operates an equity-settled share-based compensation plan, where it grants rights over its equity instruments to the employees of its subsidiary.

The grant by the company of performance shares over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity. When the shares are issued, the company either issues new shares or uses treasury shares held within the group. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium or other reserves dependent on whether new shares or treasury shares are used.

Holding company notes to the financial statements (continued)

1.5 Revenue recognition

The company's only revenue stream is dividend income which is measured at the fair value of the consideration received.

Dividends are recognised, in profit or loss, when the company’s right to receive payment has been established.

1.6 Group restructuring transactions

The company recognises the profit or loss arising on any group restructuring transactions in other gains or losses. The profit or loss recognised is the difference between the cost of the investment disposed of and the proceeds received.

1.7 Standards, interpretations and amendments to published standards

New and amended standards adopted by the company:

A number of International Financial Reporting Standards, Interpretations and Amendments have become effective for the first time for the year ended 28 February 2022. None of these standards interpretations or amendments have a significant effect on the company's financial reporting.

New standards and interpretations not yet adopted by the company:

There are no new International Financial Reporting Standards, Interpretations and Amendments that have been issued during the year but are not yet effective for the year ended 28 February 2022 and have not been early adopted by the company that are considered to have a significant effect on the company's financial reporting.

Holding company notes to the financial statements (continued)

2. Financial instruments and financial risk management

Overview

The company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the executive committee under approval by the board of directors. The executive committee identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides principles for overall risk management.

Categories of financial instruments

	Note	Financial assets held at amortised cost	Financial liabilities held at amortised cost	Total carrying value
At 28 February 2021		**R'000**	**R'000**	**R'000**
Loans to group companies	4.2	182 564	-	182 564
Trade and other receivables	5	223	-	223
Cash and cash equivalents	6	9	-	9
Trade and other payables	8	-	(441)	(441)
Total		182 796	(441)	182 355
At 28 February 2022				
Loans to group companies	4.2	**139 532**	**-**	**139 532**
Trade and other receivables	5	**-**	**-**	**-**
Cash and cash equivalents	6	**33**	**-**	**33**
Loans from group companies	4.2	**-**	**(37 294)**	**(37 294)**
Trade and other payables	8	**-**	**(813)**	**(813)**
Total		**139 565**	**(38 107)**	**101 458**

The trade and other receivables and trade and other payables disclosed in the above tables exclude the non financial assets and liabilities carried on the statement of financial position.

Financial risk factors

(a) Market risk

(i) Price risk

The company is not exposed to equity securities price risk as it does not hold investments in equity of other entities that are publicly traded. The company is not exposed to commodity price risk.

(ii) Cash flow interest rate risk

The company has interest-bearing assets in the form of cash and cash equivalents. The Company's finance income cash flows are exposed to interest rate risk and are dependent on market interest rates *(refer to sensitivity analysis below).*

Interest rate risk - Sensitivity analysis

Interest rate risk is presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders equity. A one percentage point movement in the prime interest rate would have the following effect on post-tax profit for the year:

	2022		2021	
	1%	**-1%**	1%	-1%
	R'000	**R'000**	R'000	R'000
Cash and cash equivalents	**-**	**-**	-	-
Increase/(decrease) in profitability	**-**	**-**	-	-

Holding company notes to the financial statements (continued)

2. Financial instruments and financial risk management (continued)

(b) Credit risk

Cash and cash equivalents - The company has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used.

Loans to group companies - The company monitors its credit exposure to loans advanced to group companies on an ongoing basis by assessing the applicable company's financial position, forecasts and order books where applicable, at reporting date. Loss allowances are raised where applicable based on expected credit losses.

		2022	2021
Concentration of credit risk	Rating	**R'000**	R'000
Cash and cash equivalents	BB	**33**	9
Total cash and cash equivalents (refer to note 6)		**33**	9
Current trade and other receivables	Not rated	**-**	223
Total current trade and other receivables (refer to note 5)		**-**	223

Credit risk is represented by the going concern values of the receivables and cash and cash equivalents that are carried on the statement of financial position at a value of R0.03 million (2021: R0.2 million).

The credit ratings above have been obtained from publicly available information.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash. The group operates a treasury function where all surplus cash is transferred to Raubex (Pty) Ltd.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	**Contractual cash flows**	**Within 1 year**	**2 to 5 years**
Year ended 28 February 2021	**R'000**	**R'000**	**R'000**	**R'000**
Non-derivative financial liabilities				
Trade and other payables	441	441	441	-
Total	441	441	441	-

	Carrying amount	**Contractual cash flows**	**Within 1 year**	**2 to 5 years**
Year ended 28 February 2022	**R'000**	**R'000**	**R'000**	**R'000**
Non-derivative financial liabilities				
Loans from group companies	**37 294**	**37 294**	**37 294**	**-**
Trade and other payables	**813**	**813**	**813**	**-**
Total	**38 107**	**38 107**	**38 107**	**-**

Loans from group companies and trade payables are held at amortised cost and the impact of discounting is deemed to not be significant based on their short term nature. Therefore the carrying values are deemed to approximate their fair value.

3. Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio expressed as a percentage of net debt to total capital plus net debt is calculated below:

	2022	2021
	R'000	R'000
Cash and cash equivalents (refer note 6)	**(33)**	(9)
Loans from group companies (refer note 4.2)	**37 294**	-
Net debt	**37 261**	(9)
Total equity	**2 435 159**	2 425 452
Total capital and net debt	**2 472 420**	2 425 443
Gearing ratio	**1.51%**	(0.00%)

Holding company notes to the financial statements (continued)

4.1 Investment in subsidiaries

	2022 R'000	2021 R'000
Name of company		
Direct investment at cost*		
Raubex (Pty) Ltd	**2 018 163**	2 018 163
Raubex FIC (Pty) Ltd	**153 000**	75 127
Total direct investment in subsidiaries	**2 171 163**	2 093 290
Indirect investment on issue of share options to employees of subsidiaries		
B&E International (Pty) Ltd	**13 940**	13 940
Burma Plant Hire (Pty) Ltd	**-**	778
Milling Techniks (Pty) Ltd	**-**	3 739
National Asphalt (Pty) Ltd	**10 496**	10 496
Raubex (Pty) Ltd	**118 574**	101 326
Raubex Construction (Pty) Ltd	**2 057**	2 057
Raubex KZN (Pty) Ltd	**2 104**	2 104
Raumix Aggregates (Pty) Ltd	**1 707**	1 707
Roadmac Surfacing (Pty) Ltd	**3 178**	3 178
Roadmac Surfacing Cape (Pty) Ltd	**1 058**	1 058
SPH Kundalila (Pty) Ltd	**9 424**	9 424
Total indirect investment in subsidiaries	**162 538**	149 807
Total investment in subsidiaries	**2 333 701**	2 243 097

** Disclosure table excludes investments directly held by the company with a cost of less than R450.*

The carrying amounts of investment in subsidiaries are shown net of impairment losses. During the year, the company impaired indirect investments on issue of share options to employees of subsidiaries to the value of R4.5 million, refer to note 10. These investments relate to Burma Plant Hire (Pty) Ltd and Milling Techniks (Pty) Ltd which are now dormant entities in the group. Refer to note 1.2 for further details on the company's impairment policy.

Details of the group's employee performance share scheme are disclosed in note 38 to the group financial statements.

4.2 Loans to/(from) group companies

	2022 R'000	2021 R'000
Raubex (Pty) Ltd	**108 539**	105 222
Raubex FIC (Pty) Ltd*	**(37 294)**	46 349
Raumix Aggregates (Pty) Ltd	**30 993**	30 993
Total loans to/(from) group companies	**102 238**	182 564

** Loan owed by Raubex FIC (Pty) Ltd in the prior year was repaid during the financial year. Loan owed to Raubex FIC (Pty) Ltd is a new loan.*

	2022	2021
Non-current assets	**139 532**	182 564
Current liabilities	**(37 294)**	-
Total loans to/(from) group companies	**102 238**	182 564

The loans are interest free and have no fixed terms of repayment.

The company provides for loss allowances on loans to subsidiaries equal using the 12-month expected credit loss approach unless there has been a significant increase in credit risk since initial recognition of the loan. Where there has been a significant increase in credit risk since initial recognition, loss allowances are adjusted to equal the lifetime expected credit losses on these loans. At 28 February 2022 the loss allowances relating to loans to subsidiaries were not significant on account of the loan counterparties' holdings of highly liquid assets and cash/short-term cash investment balances. These holdings by the counterparties significantly exceed their obligations, including their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans significantly.

The loans to group companies have been classified as non-current assets as settlement is expected to occur after a period of 12 months. The loans to group companies are measured at amortised cost. The fair value of these loans approximate the carrying amount as the difference between these values are immaterial.

Holding company notes to the financial statements (continued)

5. Trade and other receivables

	2022 R'000	2021 R'000
Prepayments	-	223
Total trade and other receivables	-	223

The fair values of trade and other receivables are as follows:

	2022 R'000	2021 R'000
Prepayments	-	223
Total trade and other receivables	-	223

As of 28 February 2022, no receivables were neither past due nor impaired.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Bank balance	**33**	9
Total cash and cash equivalents	**33**	9

7. Share capital and share premium

	Number of shares	Ordinary shares R'000	Share premium R'000	Total R'000
At 1 March 2020	181 750	1 817	2 059 776	2 061 593
At 28 February 2021	181 750	1 817	2 059 776	2 061 593
At 28 February 2022	**181 750**	**1 817**	**2 059 776**	**2 061 593**

The total authorised number of ordinary shares is 500 million shares (2021: 500 million) with a par value of 1 cent per share (2021: 1 cent per share). All issued shares are fully paid.

8. Trade and other payables

	2022 R'000	2021 R'000
Trade payables	**439**	55
Accrued expenses	**374**	386
Total trade and other payables	**813**	441

9. Revenue

	2022	2021
Dividends received from subsidiaries	**137 955**	43 620
Total revenue	**137 955**	43 620

10. Other gains/(losses)

	2022	2021
Impairment of investments in subsidiaries (note 4)	**(4 517)**	(2 350)
Total other gain/(losses)	**(4 517)**	(2 350)

11. Finance income and costs

Interest is recognised, in profit or loss, using the effective interest rate method.

Finance income:

	2022	2021
Interest income on cash resources	**2**	1
Total finance income	**2**	1
Net finance income	**2**	1

Holding company notes to the financial statements (continued)

12. Income tax expense

	2022 R'000	2021 R'000
South African normal taxation		
Current tax		
Current period	-	-
Total South African normal taxation	-	-

Reconciliation between applicable tax rate and effective tax rate:

	%	%
Applicable tax rate	**28.00**	28.00
Exempt income - dividends received	**(29.58)**	(31.17)
Disallowed charges - loss on impairment of investments	**0.97**	1.68
Disallowed charges - other	**0.61**	1.49
Effective tax rate	**0.00**	0.00

13. Cash used in operations

Profit before income tax	**130 589**	39 180
Adjustments for:		
Other gains	**4 517**	2 350
Interest received	**(2)**	(1)
Dividends received	**(137 955)**	(43 620)
Changes in working capital		
Trade and other receivables	**223**	(51)
Trade and other payables	**372**	15
Net cash used in operations	**(2 256)**	(2 127)

In the cash flow statement taxation paid is calculated as follows:

Balance payable/(receivable) at beginning of year	**-**	10
Add: current year tax charge (note 12)	**-**	-
Add: balance receivable/(payable) at end of the year	**-**	-
Net tax paid/(received)	**-**	10

14. Related parties

Relationship

Subsidiaries — Refer to note 44 of the group financial statements

Related party balances	**2022 R'000**	2021 R'000
Loans to related parties (note 4.2)		
At beginning of year	**182 564**	184 560
Loans advanced during the year	**612 010**	74 918
Loan repayments received	**(655 042)**	(76 914)
At year end	**139 532**	182 564
Loans from related parties (note 4.2)		
At beginning of year	**-**	-
Loans advanced during the year	**(612 372)**	-
Loan repayments made	**575 078**	-
At year end	**(37 294)**	-
Other fees paid to related parties		
Raubex (Pty) Ltd	**3**	3

15. Directors' emoluments

Refer to note 40 of the group financial statements where the directors' emoluments have been disclosed.

16. Events after the reporting period

Refer to note 46 of the group financial statements where events after the reporting period have been disclosed.

No other material events after the reporting period occurred up to the date of preparation of these financial statements.