Raubex Group Limited and its subsidiaries

Registration number: 2006/023666/06

ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2023

General information

Nature of business	Diversified infrastructure development and construction materials
Directors	NF Msiza (Chief Executive Officer) DC Lourens (Chief Operating Officer) SJ Odendaal (Financial Director) RJ Fourie (Non-executive, Chairman) SR Bogatsu (Lead Independent Non-executive) BH Kent (Independent Non-executive) LA Maxwell (Independent Non-executive) (Deceased 20 April 2023) N Fubu (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 2023

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 119 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 the 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 9 May 2023 and signed on its behalf by:

NF Msiza
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 19 to 119, 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.

NF Msiza
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 2023, and that all such returns are true, correct and up to date.

GM Chemaly
Company secretary
9 May 2023

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 2023, 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 19 to 119 comprise:

- the group and holding company statements of financial position as at 28 February 2023;
- 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.

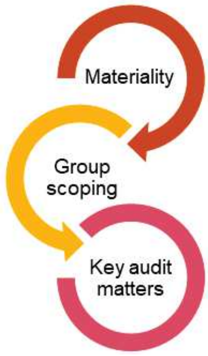
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R137,7 million, which represents 0,9% of consolidated revenue.

Group audit scope

- The consolidated financial statements comprise the Company and 121 components (which include subsidiaries, joint ventures, joint operations and associates). Full scope audits were performed on all 3 financially significant components. Full scope audits were performed on a further 19 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	R137,7 million
How we determined it	0.9% 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 0.9% 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 four divisions: the Materials Handling and Mining division, the Construction Material division, the Roads and earthworks division and the Infrastructure division, operating across 9 different geographical locations – South Africa, Australia, Botswana, Cameroon, Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe.

The consolidated financial statements comprise the Company and 121 components (which include subsidiaries, joint ventures, joint operations and associates). Full scope audits were performed on all 3 financially significant components. Full scope audits were performed on a further 19 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.

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

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 R11.7 billion for the year ended 28 February 2023, 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 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;

Key audit matter	*How our audit addressed the key audit matter*
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 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 it 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; • 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.

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 2023 ", which includes the Directors' Report, the Audit Committee Report and the 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 2023", 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 17 years.

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: L Rossouw
Registered Auditor
Bloemfontein, South Africa
12 May 2023

Audit Committee report

The audit committee is pleased to present this report for the financial year ended 28 February 2023 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[2]	Independent non-executive (Chairman)[1]	01/03/2007	BCom, CA(SA)
Mr BH Kent	Independent non-executive	24/02/2011	BCom, CA(SA), FCMA, HDip Tax, HDip Company Law
Ms SR Bogatsu	Independent non-executive	01/06/2017	BCom, MBA
Ms N Fubu	Independent non-executive	24/02/2023	BCom, CA(SA)

1 *Mr LA Maxwell was appointed acting chairman of the board from 16 August 2022 to 6 December 2022, Mr BH Kent was made acting Chairman of the audit committee during this time.*

2 *As announced on SENS on 21 April 2023, it is with deep sadness that we announce that Mr Leslie (Les) Arthur Maxwell, a Non-Executive Director and Chairman of the audit committee, passed away on Thursday, 20 April 2023 after a short illness. Les served on the Board since 2007, adding immense value to Raubex during his tenure.*

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	10-May-22	10-Aug-22	01-Nov-22	23-Feb-23
Mr LA Maxwell	✔	✔		✔
Mr BH Kent	✔	✔	✔	✔
Ms SR Bogatsu	✔	✔	✔	✔
Ms N Fubu	n/a	n/a	n/a	✔

Due to being acting chairman of the board, Mr LA Maxwell was illegible to chair the audit committee meeting.

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 2023.

Audit Committee report (continued)

Statutory duties (continued)

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.

Auditor suitability

The audit committee met with the external auditor on 8 May 2023 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 2022.

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 and fraud risk as it relates to financial reporting.

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)

Duties assigned by the board (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.

BH Kent
Acting Chairman of the Audit Committee

9 May 2023

Directors' report

This report presented by the directors is a constituent document of the group consolidated financial statements at 28 February 2023.

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, 45 and 46 of the group financial statements.

Group financial results

Revenue increased 32.2% to R15.31 billion (2022: R11.58 billion)
Operating profit increased 35.0% to R1.28 billion (2022: R1.0 billion)
Profit before tax increased 33.5% to R1.22 billion (2022: R0.9 billion)
Profit after tax increased 36.9% to R858.6 million (2022: R627.2 million)

Group earnings attributable to owners of the parent for the year ended 28 February 2023 were R704.3 million (2022: R553.7 million), representing basic earnings per share of 391.1 cents (2022: 306.9 cents). Headline earnings per share were 392.8 cents (2022: 297.4 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 (2022: nil).

Full details of the authorised and issued capital of the company at 28 February 2023 are set out in note 26 and 27 of these financial statements.

Employee Long Term Incentive Scheme

During the year 1 293 992 (2022: 1 273 543) performance shares were granted to directors and prescribed officers. Full details of the employee long term incentive scheme are set out in note 39 of these financial statements.

Cash and cash equivalents

Cash from operations increased 144.9% to R1.96 billion (2022: R0.80 billion).

Cash and cash equivalents amounted to R1.70 billion (2022: R1.50 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 2023:

- Final dividend for the year ended 28 February 2022 declared on 13 May 2022 of 54 cents per ordinary share (2022: 29 cps)
- Interim dividend for the year ended 28 February 2023 declared on 02 November 2022 of 53 cents per ordinary share (2022: 47 cps)

After consideration was given to the solvency and liquidity of the group, a final dividend in respect of the year ended 28 February 2023 of 76 cents per share was proposed at the board of directors meeting on 9 May 2023 and declared on the release of the group's results. These financial statements do not reflect this dividend payable.

Business combinations

Dune Resources (Pty) Ltd (“Dune Resources”)

Effective 1 April 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired 61.8% of Dune Resources for a total consideration of R6.9 million. R3.9 million was paid in cash, while the other R3 million was for exploration costs incurred on behalf of Dune Resources. The Group has assessed that in terms of IFRS 10 it controls Dune Resources. Dune resources owns 65% of Namli Exploration and Mining (Pty) Ltd (“Namli Exploration”), which holds an exploration right.

Attaclay (Pty) Ltd (“Attaclay”)

On 1 July 2022, the Group, through its subsidiary OMV (Pty) Ltd, acquired 49% of Stopetek Properties (“Stopetek”) for R18 million. The Group has assessed that in terms of IFRS 10 it controls Stopetek. Stopetek holds 51.8% in Attaclay which produces bentonite and attapulgite through its open cast mining operations.

Centremark Roadmarking (Pty) Ltd (“Centremark”)

Effective 1 February 2023, the group, through its subsidiary Raubex Roads and Earthworks Holdings (Pty) Ltd acquired the remaining 56% of Centremark for R560. This increased the groups effective ownership from 44% to 100% giving the group control in terms of IFRS 10, therefore changing Centremark from an associate to a subsidiary.

Directors' report (continued)

Transactions with non-controlling interests

Bauba Resources (Pty) Ltd ("Bauba")
The acquisition of Bauba in the prior year, 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 the Group owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share was opened to shareholders. After an extension of the original closing date, the mandatory offer closed on 10 June 2022 resulting in the Group acquiring an additional 79 412 185 shares (10.59%) of Bauba for R33.4 million.

On 28 June, the Group opened a general offer to purchase shares from shareholders for 42 cents per share. The general offer closed on 19 August 2022 resulting in an additional 99 637 746 shares (13.29%) of Bauba being acquired by the Group for R41.9 million. The net effect of the above transactions has resulted in the Group's effective ownership in Bauba increasing to 74.97% as at 31 August 2022.

On 7 October 2022, the Group effectively sold 89.3 million shares in Bauba to a non-controlling shareholder for R37.5 million (42 cents per share). The Group's effective ownership of Bauba has decreased to 63.06%. The Group is deemed to still exercise control in terms of IFRS 10.

In terms of the circular issued to shareholders on 27 October 2022, Bauba cancelled 15.9 million non-controlling shareholders shares effective 6 December 2022 (closing date). Of the 15.9 million shares cancelled, 9.9 million elected their exit and where paid R4.2 million (42 cents per share). The balance of shares were default exits based on no responses being received. The amounts owed to these shareholders has been provided for and will expire three years from circular date (27 October 2025). The Group's effective ownership of Bauba increased to 64.43% as a result of the cancelled shares.

Metadynamics (Pty) Ltd ("Metadynamics")
Effective 1 June 2022, the Group's subsidiary OMV (Pty) Ltd (70% effectively held), acquired the remaining 30% of Metadynamics from non-controlling shareholders for R25 million cash. This transaction increased the Group's effective shareholding of Metadynamics from 49% to 70%.

Donkerhoek Quarry (Pty) Ltd ("Donkerhoek")
On 1 August 2022, the Group, through its subsidiary Raumix Aggregates (Pty) Ltd, acquired the remaining 26% of Donkerhoek from a non-controlling shareholder for R16.5 million cash. The Group's effective shareholding increased from 74% to 100%.

Dune Resources (Pty) Ltd ("Dune Resources")
On 1 November 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired the remaining 38.2% of Dune Resources non-controlling shareholders for R17.5 million cash. The Group's effective shareholding in Dune Resources increased from 61.8% to 100%, therefore also increasing the effective ownership of Namli from 40.1% to 65%.

B&E International (Namibia) (Pty) Ltd ("B&E Namibia")
Effective 1 December 2022, the Group restructured the Namibian operations of its subsidiary B&E International (Pty) Ltd. The group acquired an additional 6% in B&E Namibia for R3.8 million cash. The Group's effective shareholding increased from 74% to 80%. Subsequently the Group has established an employee trust for the entity and allocated 10% of its shareholding to the trust.

Capital commitments
Details of capital commitments are set out in note 43 of these financial statements.

Property, plant and equipment
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 R1.15 billion (2022: R695.9 million). Property, plant and equipment acquired through the acquisition of subsidiaries during the year amounted to R9.2 million (2022: R542.9 million).

Contingencies
Details of contingencies are set out in note 44 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.

Directors' report (continued)

Ukraine conflict

The group is only indirectly exposed to the Ukraine 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 remained fairly elevated during the current financial year.

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.

Management considers the Ukraine conflict an ongoing event and is continually assessing and monitoring any developments the associate impact on the business.

Events after the reporting period

The directors are not aware of any 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.

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 2023 financial year be as follows:

	Annual remuneration R'000
Chairman	1 281
Deputy Chairman	1 281
Lead independent non-executive director	1 041
Non-executive director	801

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.

Special resolution number four: Adoption of new Memorandum of incorporation ("MOI")

Resolved to adopt as the new MOI of the Company the proposed MOI circulated together with the notice of AGM. The new MOI will apply in substitution for and to the exclusion of the Company's existing MOI.

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 41 of these financial statements.

Directorate changes

Felicia Msiza, was appointed as Chief Executive Officer (CEO"), and Dirk Lourens as Chief Operating Officer ("COO"), both effective 1 August 2022.

As announced on SENS on 7 December 2022, the following changes were made to the board, effective 6 December 2022:
- Rudolf Fourie was appointed Chairman of the board following the resignation of Freddie Kenney on 5 August 2022;
- Setshego Bogatsu was appointed as Lead Independent Director; and
- Nosisa Fubu was newly appointed as an Independent Non-Executive Director.

As announced on SENS on 21 April 2023, it is with deep sadness that the board announces that Mr Leslie (Les) Arthur Maxwell, a Non-Executive Director, passed away on Thursday, 20 April 2023 after a short illness. Les served on the Board since 2007, adding immense value to Raubex during his tenure.

Directors' report (continued)

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 at 28 February 2023	Number of shares 2023	Number of shares 2022	% held 2023	% held 2022
Public shareholders	**175 114 454**	170 336 368	**96.3**	93.7
Non-public shareholders	**6 635 582**	11 413 668	**3.7**	6.3
Total shares	**181 750 036**	181 750 036	**100**	100

Non-public shareholders	Number of shares 2023	Number of shares 2022	% held 2023	% held 2022
Directors of the company	**1 822 971**	7 757 686	**1.0**	4.3
Directors of subsidiaries	**2 312 611**	1 956 799	**1.3**	1.1
Treasury shares – Raubex (Pty) Ltd	**2 500 000**	1 699 183	**1.4**	0.9
Total shares	**6 635 582**	11 413 668	**3.7**	6.3

Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares 2023	Number of shares 2022	% of shares in issue 2023	% of shares in issue 2022
Old Mutual Investment Group	**47 150 777**	47 530 535	**25.9**	26.2
Government Employee Pension Fund	**44 548 560**	22 710 349	**24.5**	12.5
PSG Asset Management	**13 127 028**	11 128 311	**7.2**	6.1
Total shares	**104 826 365**	81 369 195	**57.6**	44.8

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 2024 financial year. Due to the mandatory audit firm rotation coming into law, the 2024 financial year will be the last year that PricewaterhouseCoopers Inc. are eligible for re-appointment and new auditors will be appointed for the 2025 financial year.

Group statement of financial position

	Note	2023 R'000	Restated 2022 R'000[1]
ASSETS			
Non-current assets			
Property, plant and equipment	10	3 668 216	3 073 703
Investment property	11	113 974	114 495
Right-of-use assets	12	335 472	377 188
Intangible assets	13	1 002 301	978 155
Investment in associates and joint ventures	14	9 073	12 359
Investments in service concessions	15	77 049	23 153
Deferred income tax assets	25	171 216	132 474
Inventories	16	27 419	31 726
Trade and other receivables	18	3 892	13 516
Other financial assets - debt	20	323 998	224 269
Other financial assets - equity	20	103 944	90 977
Total non-current assets		5 836 554	5 072 015
Current assets			
Inventories	16	1 278 357	975 461
Contract assets	17	615 743	461 158
Trade and other receivables	18	1 889 356	1 981 991
Other financial assets - debt	20	7 129	17 938
Current income tax receivable		18 357	11 844
Cash and cash equivalents (excluding bank overdrafts)	19	1 697 292	1 504 801
Total current assets		5 506 234	4 953 193
Total assets		11 342 788	10 025 208
EQUITY			
Share capital	26	1 817	1 817
Share premium	26	2 059 688	2 059 688
Treasury shares	27	(78 801)	(47 077)
Other reserves	28	(1 007 709)	(1 096 014)
Retained earnings		4 322 910	3 879 482
Equity attributable to owners of the parent		5 297 905	4 797 896
Non-controlling interest	29	504 985	425 161
Total equity		5 802 890	5 223 057
LIABILITIES			
Non-current liabilities			
Borrowings	21	684 125	557 578
Lease liabilities	12	349 117	392 719
Provisions for liabilities and charges	22	134 965	134 876
Deferred income tax liabilities	25	317 181	265 130
Other financial liabilities	23	56 193	74 775
Total non-current liabilities		1 541 581	1 425 078
Current liabilities			
Trade and other payables	24	2 645 718	1 867 002
Contract liabilities	17	594 136	937 858
Borrowings	21	530 339	402 313
Lease liabilities	12	56 089	63 003
Current income tax liabilities		117 368	67 842
Provisions for liabilities and charges	22	28 186	3 012
Other financial liabilities	23	26 481	36 043
Total current liabilities		3 998 317	3 377 073
Total liabilities		5 539 898	4 802 151
Total equity and liabilities		11 342 788	10 025 208

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Group statement of profit or loss

	Note	2023 R'000	Restated 2022 R'000[1]
Revenue	30	**15 307 479**	11 577 951
Cost of sales	33	**(13 197 757)**	(9 985 567)
Gross profit		**2 109 722**	1 592 384
Other income	31	**13 820**	13 783
Other gains/(losses) - net	32	**28 591**	35 987
Administrative expenses	33	**(852 929)**	(672 702)
Net impairment losses on financial and contract assets	34	**(23 065)**	(24 136)
Operating profit		**1 276 139**	945 316
Finance income	35	**81 219**	60 323
Finance costs	35	**(128 384)**	(84 407)
Finance costs - net	35	**(47 165)**	(24 084)
Share of loss of equity accounted investments	14	**(7 013)**	(6 172)
Profit before income tax		**1 221 961**	915 060
Income tax expense	36	**(363 327)**	(287 845)
Profit for the year		**858 634**	627 215
Attributable to:			
Owners of the parent		**704 344**	553 737
Non-controlling interests	29	**154 290**	73 478
		858 634	627 215
Basic earnings per share (cents)	4	**391.1**	306.9
Diluted earnings per share (cents)	4	**388.9**	304.7

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Group statement of comprehensive income

	Note	2023 R'000	Restated 2022 R'000[1]
Profit for the year		**858 634**	627 215
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations		**414**	(826)
Change in fair value of investments held at fair value through OCI		**58 540**	15 274
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	**28**	**50 940**	(320)
Other comprehensive income for the year, net of tax		**109 894**	14 128
Total comprehensive income for the year		**968 528**	641 343
Attributable to:			
Owners of the parent		**803 639**	568 450
Non-controlling interests	**29**	**164 889**	72 893
Total comprehensive income for the year		**968 528**	641 343

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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 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[1]	-	-	-	-	-	-	130 409	130 409
Disposal of subsidiary	-	-	-	-	-	-	(4 837)	(4 837)
Profit for the year[1]	-	-	-	-	553 737	553 737	73 478	627 215
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	401 176	394 511	154 322	548 833
Restated Balance at 28 February 2022[1]	**1 817**	**2 059 688**	**(47 077)**	**(1 096 014)**	**3 879 482**	**4 797 896**	**425 161**	**5 223 057**
Changes in equity:								
Share option reserve	**-**	**-**	**-**	**5 741**	**-**	**5 741**	**-**	**5 741**
Share option reserve utilised during the year	**-**	**-**	**-**	**(16 317)**	**16 317**	**-**	**-**	**-**
Treasury shares issued in terms of equity settled share scheme	**-**	**-**	**30 026**	**-**	**(30 026)**	**-**	**-**	**-**
Acquisition of treasury shares	**-**	**-**	**(61 750)**	**-**	**-**	**(61 750)**	**-**	**(61 750)**
Acquisition of shares from non-controlling interest	**-**	**-**	**-**	**-**	**(41 399)**	**(41 399)**	**(96 678)**	**(138 077)**
Disposal of shares to non-controlling shareholders	**-**	**-**	**-**	**-**	**(3 362)**	**(3 362)**	**40 861**	**37 499**
Share buy-back from non-controlling shareholders of subsidiary	**-**	**-**	**-**	**-**	**429**	**429**	**(7 123)**	**(6 694)**
Rights offer by subsidiary	**-**	**-**	**-**	**-**	**(11 058)**	**(11 058)**	**11 058**	**-**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**19 238**	**19 238**
Profit for the year	**-**	**-**	**-**	**-**	**704 344**	**704 344**	**154 290**	**858 634**
Other comprehensive income for the year	**-**	**-**	**-**	**98 881**	**414**	**99 295**	**10 599**	**109 894**
Dividends paid	**-**	**-**	**-**	**-**	**(192 231)**	**(192 231)**	**(52 421)**	**(244 652)**
Total changes	**-**	**-**	**(31 724)**	**88 305**	**443 428**	**500 009**	**79 824**	**579 833**
Balance at 28 February 2023	**1 817**	**2 059 688**	**(78 801)**	**(1 007 709)**	**4 322 910**	**5 297 905**	**504 985**	**5 802 890**
Note	*26*	*26*	*27*	*28*			*29*	

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Group statement of cash flows

	Note	2023 R'000	2022 R'000
Cash flows from operating activities			
Cash generated from operations	40	1 959 176	800 090
Interest received	35	62 143	43 923
Interest paid	35	(111 702)	(65 249)
Income tax paid	40	(318 558)	(212 635)
Net cash generated from operating activities		1 591 059	566 129
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(1 152 670)	(695 874)
Purchases of investment property	11	-	(5 110)
Proceeds from sale of property, plant and equipment	40	64 060	171 348
Disposal of subsidiaries	6	-	15 185
Acquisition of subsidiaries	6	(18 040)	(63 817)
Acquisition of associates and joint ventures	14	(1 227)	(71 441)
Acquisition of equity instruments (other financial assets)	20	(429)	(64 379)
Loan repayments received from associates and joint ventures	20,14	44 969	33 679
Loans granted to associates and joint ventures	20,14	(115 866)	(2 844)
Net cash used in investing activities		(1 179 203)	(683 253)
Cash flows from financing activities			
Proceeds from borrowings	40.1	1 102 186	546 127
Repayment of borrowings	40.1	(866 605)	(531 174)
Repayment of lease liabilities (capital repayments)	12	(66 141)	(38 344)
Dividends paid to owners of the parent	5	(192 231)	(137 069)
Dividends paid to non-controlling interests	29	(52 421)	(36 229)
Disposal of interest in a subsidiary	6	37 499	-
Acquisition of non-controlling interest	6	(138 077)	(20 242)
Contingent consideration settled	23	(12 282)	-
Share buy-back transaction by subsidiary	6	(6 694)	-
Acquisition of treasury shares	27	(61 750)	(41 790)
Net cash used in financing activities		(256 516)	(258 721)
Net increase/(decrease) in cash and cash equivalents		155 340	(375 845)
Cash and cash equivalents at the beginning of the year		1 504 799	1 883 691
Effects of exchange rates on cash and cash equivalents		37 151	(3 047)
Cash and cash equivalents at the end of the year	19	1 697 290	1 504 799

The notes on pages 24 to 105 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 and the application of the equity method of accounting for investments in associated companies and joint ventures.

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 2022. Refer to note 49 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 2022 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 assets and 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.

Ukraine conflict

The group is only indirectly exposed to the Ukraine 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 remained fairly elevated during the current financial year.

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.

Management considers the Ukraine conflict an ongoing event and are continually assessing and monitoring any developments and the associate impact on the business.

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 39)

Significant judgements:

- Judgements with regards to significant influence over equity investments (refer to note 20)
- Judgements with regards to recognition of deferred tax assets for losses carried forward (refer to note 25)

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).

In the prior year, the group reported three operating segments, being Materials, Roads and Earthworks and Infrastructure. During the current year, the information reported to the Group's chief operating decision maker (Exco) was amended in line with the restructuring of the executive committee to better reflect the increasing scale and complexity of the Group. Accordingly, the Group now reports four operating segments with the aggregation of segments based on the nature of services and products provided to the market, production processes, and type of customer for the products and services.

The group's operating segments are defined as follows:

- ***Materials Handling and Mining***
  This division comprises four main disciplines including: (i) contract crushing; (ii) materials handling and processing services for the mining industry; (iii) contract mining; and (iv) specialised resource ownership.
- ***Construction Materials***
  This division specialises in the production and supply of materials to the construction market, including aggregates from commercial quarries, asphalt and value-added bituminous products.
- ***Roads and earthworks***
  This division specialises in road construction and earthworks as well as road surfacing and rehabilitation. This includes the laying of asphalt, chip and spray, surface dressing, enrichments, and slurry seals.
- ***Infrastructure***
  This 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, investment property, 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 restated	**Materials Handling and Mining R'000**	**Construction Materials R'000**	**Roads and earthworks R'000**	**Infrastructure R'000**	**Other[1] R'000**	**Consolidated R'000**
For the year ended 28 February 2022						
Revenue	1 611 100	1 842 024	4 576 198	3 548 629	-	11 577 951
Operating profit	124 124	178 909	267 016	375 267	-	945 316
Finance income	15 103	7 330	33 305	4 585	-	60 323
Finance costs	(25 159)	(20 582)	(16 256)	(16 109)	(6 301)	(84 407)
Share of profit of investments accounted for using the equity method[2]	(1 057)	-	(11 452)	6 337	-	(6 172)
Taxation	(47 927)	(54 016)	(79 426)	(106 476)	-	(287 845)
Profit for the year[2]	65 084	111 641	193 187	263 604	(6 301)	627 215
Segment assets	3 066 564	1 965 792	3 183 208	1 655 516	154 128	10 025 208
Segment liabilities	1 323 781	846 553	1 592 622	967 925	71 270	4 802 151
Depreciation and amortisation	199 143	100 454	57 858	76 999	-	434 454
Capital expenditure	318 280	179 943	104 701	92 950	-	695 874
Inter segment revenue	261 918	805 058	55 944	281 659	-	1 404 579

[1] *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.*

[2] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

3. Segmental Information (continued)

Segmental analysis (continued)

Operating segments	Materials Handling and Mining R'000	Construction Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Other[1] R'000	Consolidated R'000
For the year ended 28 February 2023						
Revenue	**2 877 958**	**1 877 175**	**6 037 985**	**4 514 361**	**-**	**15 307 479**
Operating profit	**168 589**	**81 511**	**510 859**	**515 180**	**-**	**1 276 139**
Finance income	**9 247**	**5 051**	**47 552**	**19 369**	**-**	**81 219**
Finance costs	**(60 738)**	**(25 783)**	**(16 400)**	**(19 943)**	**(5 520)**	**(128 384)**
Share of profit of investments accounted for	**-**	**-**	**(5 988)**	**(1 025)**	**-**	**(7 013)**
Taxation	**(41 224)**	**(24 409)**	**(144 208)**	**(153 486)**	**-**	**(363 327)**
Profit for the year	**75 874**	**36 370**	**391 815**	**360 095**	**(5 520)**	**858 634**
Segment assets	**3 403 155**	**1 926 171**	**3 561 087**	**2 283 370**	**169 005**	**11 342 788**
Segment liabilities	**1 529 908**	**962 475**	**1 579 165**	**1 406 561**	**61 789**	**5 539 898**
Depreciation and amortisation	**387 941**	**124 012**	**69 728**	**67 513**	**-**	**649 194**
Capital expenditure	**693 898**	**138 715**	**105 312**	**214 745**	**-**	**1 152 670**
Inter segment revenue	**145 361**	**1 082 867**	**130 301**	**537 865**	**-**	**1 896 394**

[1] *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 21.5% (2022: 14.8%) 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 except Materials Handling and Mining.

Approximately 8.9% (2022: 11.7%) of total revenue is derived from South African local municipalities and provincial governments, these revenues are attributable to all the operating segments except Materials Handling and Mining.

Additional voluntary disclosure: Geographical information	South Africa R'000	Rest of Africa R'000	Australia R'000	Other[1] R'000	Consolidated R'000
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[2]	(6 172)	-	-	-	(6 172)
Taxation	(135 372)	(98 188)	(54 285)	-	(287 845)
Profit for the year[2]	323 805	189 036	120 675	(6 301)	627 215
Segment assets[2]	8 600 570	503 952	766 558	154 128	10 025 208
Segment liabilities[2]	4 223 482	134 571	372 828	71 270	4 802 151
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
For the year ended 28 February 2023					
Revenue	**10 798 190**	**1 985 429**	**2 523 860**	**-**	**15 307 479**
Operating profit	**436 740**	**592 038**	**247 361**	**-**	**1 276 139**
Finance income	**76 434**	**825**	**3 960**	**-**	**81 219**
Finance costs	**(112 505)**	**(7 353)**	**(3 006)**	**(5 520)**	**(128 384)**
Share of profit of investments accounted for using the equity method	**(7 013)**	**-**	**-**	**-**	**(7 013)**
Taxation	**(111 835)**	**(170 265)**	**(81 227)**	**-**	**(363 327)**
Profit for the year	**281 821**	**415 245**	**167 088**	**(5 520)**	**858 634**
Segment assets	**9 207 061**	**673 195**	**1 293 527**	**169 005**	**11 342 788**
Segment liabilities	**4 579 978**	**171 531**	**726 600**	**61 789**	**5 539 898**
Depreciation, amortisation and impairment	**605 116**	**7 222**	**36 856**	**-**	**649 194**
Capital expenditure	**790 171**	**175 082**	**187 417**	**-**	**1 152 670**
Inter segment revenue	**1 442 700**	**3 088**	**-**	**-**	**1 445 788**

[1] *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.*

[2] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Revenues from the Rest of Africa account for 13.0% (2022: 13.3%) of total group revenue and were generated from operations in Botswana, Cameroon, Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe. Revenues from Australia account for 16.5% (2022: 14.2%) of total group revenue and were generated from operations in Western Australia.

Notes to the group financial statements (continued)

3. Segmental Information (continued)

Reclassification of comparative figures

As disclosed previously, the Group reported three operating segments in the prior year, these being Materials, Roads and Earthworks and Infrastructure. This has changed in the current year and the Group now reports four operating segments. The prior year segment disclosures have therefore been amended to reflect the four operating segments accordingly which has resulted in the restatement of the prior year figures.

The group's operating segment definitions, as previously reported:

- *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.

Operating segments (As previously reported)	Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Other[1] 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]	(1 057)	(11 452)	6 337	-	**(6 172)**
Taxation	(85 127)	(96 242)	(106 476)	-	**(287 845)**
Profit for the year[2]	**171 955**	**197 957**	**263 604**	**(6 301)**	**627 215**
Segment assets[2]	3 899 785	4 338 321	1 632 974	154 128	**10 025 208**
Segment liabilities[2]	1 700 273	2 035 189	995 419	71 270	**4 802 151**
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**

[1] *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.*

[2] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Disaggregation of revenue by activity and segment (as previously reported in Revenue note - Note 30):

	Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Consolidated R'000
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**

Notes to the group financial statements (continued)

4. Earnings per share

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. 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.

	2023 R'000	2022 R'000
Basic		
Profit attributable to owners of the parent entity[1]	**704 344**	553 737
Weighted average number of ordinary shares in issue[2]	**180 104**	180 422
Basic earnings per share (cents)	**391.1**	306.9
Diluted		
Profit attributable to owners of the parent entity	**704 344**	553 737
Weighted average number of ordinary shares in issue[2]	**180 104**	180 422
Adjustments for:		
Shares deemed issued for no consideration (share options)	**1 016**	1 293
Weighted average number of ordinary shares for diluted earnings per share	**181 120**	181 715
Diluted earnings per share (cents)	**388.9**	304.7

Headline	2023 Gross R'000	2023 Net of tax R'000	2022 Gross R'000[3]	2022 Net of tax R'000[3]
Profit attributable to owners of the parent entity[1]	**704 344**	**704 344**	553 737	553 737
Adjustments for:				
Profit on sale of property, plant and equipment (note 32)	**(10 103)**	**(7 317)**	(14 538)	(9 851)
Impairment of property, plant and equipment (note 10)	**3 300**	**2 376**	-	-
Bargain purchase on acquisition of joint venture (note 14)	**-**	**-**	(6 173)	(6 173)
Loss/(Profit) on remeasurement of associate (note 14)[1]	**3 769**	**3 769**	(11 233)	(11 233)
Bargain purchase on acquisition of subsidiary (note 6)	**(8 790)**	**(8 790)**	-	-
Impairment of goodwill and mining rights (note 32)	**13 493**	**13 493**	5 400	5 400
Profit on disposal of joint venture (note 14)	**-**	**-**	(84)	(84)
Loss on disposal of subsidiary (note 32)	**-**	**-**	4 524	4 524
Add back: Non-controlling interests' portion of impairment and profit on sale of property, plant and equipment	**(646)**	**(465)**	470	318
Basic headline earnings	**705 367**	**707 410**	532 103	536 638
Weighted average number of ordinary shares in issue[2]		**180 104**		180 422
Headline earnings per share (cents)		**392.8**		297.4
Diluted Headline				
Headline earnings		**707 410**		536 638
Adjusted weighted average number of shares		**181 120**		181 715
Diluted headline earnings per share (cents)		**390.6**		295.3

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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

[3] *The disclosure has been amended to show the long method required as in terms of Circular 1/2021. Therefore the prior year disclosures have been restated accordingly as previously the short method was disclosed. This has no impact on the HEPS amounts disclosed.*

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:

	2023		2022	
	Number of shares ('000)	Value R'000	Number of shares ('000)	Value R'000
Previous year final dividend paid	**181 750**	**98 145**	181 750	52 708
Current year interim dividend paid	**181 750**	**96 329**	181 750	85 422
Dividends received on treasury shares	**(2 500)**	**(2 243)**	(1 699)	(1 061)
Total dividends paid		**192 231**		137 069

After consideration was given to the solvency and liquidity test of the group, a final dividend in respect of the year ended 28 February 2023 of R138.1 million (76 cents per share) amounting to a total dividend for the year of R234.5 million (129 cents per share) was proposed at the board of directors' meeting on 9 May 2023 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.

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.

Notes to the group financial statements (continued)

6. Business combinations (continued)

Acquisitions made during the previous financial period
Bauba Resources (Pty) Ltd ("Bauba")

In the prior year, 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, 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 handling and mining 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 handling and mining division and the nature and geographical location of the mineral reserves under license.

During the current year, the information pertaining to the fair value of tangible and intangible assets acquired was finalised. The group made the respective measurement period adjustments as indicated below. The adjustments relate to the fair values of the intangible assets and the mineral rights in production acquired as determined by an independent expert. The corresponding deferred tax effects have also been adjusted for. The measurement period adjustments have also impacted the non-controlling interest, remeasurement profit and goodwill amounts recognised on acquisition that were previously reported.

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

	As previously reported 2022 R'000	Measurement period adjustments 2022 R'000[1]	Restated 2022 R'000
Consideration			
Fair value of previously held shares prior to control transaction	**68 601**	**1 782**	**70 383**
Cash consideration	**68 996**	**-**	**68 996**
Total Consideration	**137 597**	**1 782**	**139 379**
Recognised amounts of identifiable assets and acquired liabilities assumed			
Property, plant and equipment	**508 712**	**30 418**	**539 130**
Right-of-use assets	**102 945**	**-**	**102 945**
Intangible assets	**20 161**	**(20 161)**	**-**
Inventories	**88 464**	**-**	**88 464**
Trade and other receivables	**49 572**	**-**	**49 572**
Cash & cash equivalents	**3 028**	**-**	**3 028**
Deferred tax asset	**90 122**	**17 060**	**107 182**
Deferred tax liability	**(70 386)**	**(20 563)**	**(90 949)**
Borrowings	**(157 968)**	**-**	**(157 968)**
Lease liabilities	**(91 951)**	**-**	**(91 951)**
Provisions	**(6 038)**	**-**	**(6 038)**
Trade and other payables	**(276 680)**	**-**	**(276 680)**
Total identifiable net assets	**259 981**	**6 754**	**266 735**
Non-controlling interest	**(127 160)**	**(3 304)**	**(130 464)**
Goodwill attributable to owners of the parent	**4 776**	**(1 668)**	**3 108**
Total	**137 597**	**1 782**	**139 379**

[1] Measurement period adjustments – during the current year, the comparative information for February 2022 was retrospectively adjusted to recognise the final fair values of the intangible and tangible assets and the final value of goodwill. The effects on the prior year profit relate to share of profit from equity accounted investments.

6. Business combinations (continued)

Acquisitions made during the previous financial period (continued)
Bauba Resources (Pty) Ltd ("Bauba") (continued)

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.

	As previously reported 2022 R'000	Measurement period adjustments[1] 2022 R'000	Restated 2022 R'000
Carrying value of initial 26.39% equity interest immediately before additional share acquisition	**(59 150)**	-	**(59 150)**
Acquisition date fair value	**68 601**	**1 782**	**70 383**
Remeasurement profit on equity interest held (note 14)	**9 451**	**1 782**	**11 233**
Total purchased consideration settled in cash	**68 996**	-	**68 996**
Less: cash and cash equivalents in the business combination acquired	**(3 028)**	-	**(3 028)**
Cash outflow on acquisition for cash flow statement	**65 968**	-	**65 968**
Total cash outflow split as follows under cash flows from investing activities in the cash flow statement:			
Acquisition of associates	**71 441**	-	**71 441**
Acquisition of subsidiaries	**65 968**	-	**65 968**

[1] Measurement period adjustments – during the current year, the comparative information for February 2022 was retrospectively adjusted to recognise the final fair values of the intangible and tangible assets and the final value of goodwill. The effects on the prior year profit relate to share of profit from equity accounted investments.

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 in the prior year 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 prior year, Bauba would have contributed revenue of R333.4 million and a net loss of R66.4 million.

Acquisitions and disposals made during the previous financial period - cash flow effects

	Bauba R'000	Syiaka R'000	Lime Sales R'000	Total R'000
Acquisition of subsidiaries				
Total purchased consideration settled in cash	(68 996)	(280)	-	(69 276)
Less: cash and cash equivalents in the business combination acquired	3 028	2 431	-	5 459
Cash outflow on acquisitions for cash flow statement	(65 968)	2 151		(63 817)
Disposal of subsidiaries				
Total purchased consideration received in cash			19 000	19 000
Less: cash and cash equivalents disposed of			(3 815)	(3 815)
Cash in flow on disposals for cash flow statement	-	-	15 185	15 185

Acquisitions made during the current financial period

Dune Resources (Pty) Ltd (“Dune Resources”)

Effective 1 April 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired 61.8% of Dune Resources for a total cost of R6.9 million. R3.9 million was paid in cash, while the other R3 million was for exploration costs incurred on behalf of Dune Resources. The Group has assessed that in terms of IFRS 10 it controls Dune Resources. Dune resources owns 65% of Namli Exploration and Mining (Pty) Ltd (“Namli Exploration”), which holds an exploration right.

In terms of IFRS 3 it was determined that the operations of Dune Resources and Namli Exploration did not meet the definition of a business and therefore the acquisition constituted an asset acquisition.

Dune Resources and Namli Exploration have been consolidated into the Group effective 1 April 2022, neither have contributed any revenue and together they have contributed a net loss to date of R0.2 million to the group.

6. Business combinations (continued)

Acquisitions made during the current financial period (continued)

Attaclay (Pty) Ltd ("Attaclay")

On 1 July 2022, the Group, through its subsidiary OMV (Pty) Ltd, acquired 49% of Stopetek Properties ("Stopetek") for R18 million. The Group has assessed that in terms of IFRS 10 it controls Stopetek, refer to note 45. Stopetek holds 51.8% in Attaclay which produces bentonite and attapulgite through its open cast mining operations.

The goodwill is attributable to the business diversification opportunities Attaclay presents to the Group, synergies that are expected to arise from integrating Attaclay into the Materials Handling and Mining division and the nature of the mineral reserves under licence.

The fair value of trade and other receivables is R7.7 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 1 July 2022 contributed by Attaclay was R23.2 million with a net profit contribution of R2.9 million over the same period. Had Attaclay been consolidated from the beginning of the period, Attaclay would have contributed revenue of R33.6 million and a net profit of R4.1 million.

Centremark Roadmarking (Pty) Ltd ("Centremark")

Effective 1 February 2023, the group, through its subsidiary Raubex Roads and Earthworks Holdings (Pty) Ltd acquired the remaining 56% of Centremark for R560. This increased the groups effective ownership from 44% to 100% giving the group control in terms of IFRS 10, therefore changing Centremark from an associate to a subsidiary.

Due to the fact that before acquisition Centremark was an associate, the equity interest in 44% was remeasured to fair value immediately before the share purchase that resulted in the group obtaining control over Centremark, with the remeasurement loss being recognised in profit or loss.

	2023 R'000
Carrying value of initial 44% equity interest immediately before additional share acquisition	3 769
Acquisition date fair value	-
Remeasurement loss on equity interest held (note 14)	**(3 769)**

Details of the net assets acquired, purchase consideration and goodwill/bargain purchase from acquisitions are set out below:

Consideration	**Dune Resources R'000**	**Attaclay R'000**	**Centremark R'000**	**Total R'000**
Fair value of previously held shares prior to control transaction	-	-	-	-
Cash consideration	3 900	18 000	1	21 901
Exploration costs incurred for shares	3 000	-	-	3 000
Total Consideration	6 900	18 000	1	24 901
Recognised amounts of identifiable assets and acquired liabilities assumed				
Property, plant and equipment	-	1 000	8 226	9 226
Intangible assets	9 821	33 820	-	43 641
Inventories	-	5 034	1 725	6 759
Trade and other receivables	-	7 733	1 343	9 076
Contract assets	-	-	23	23
Current tax receivable	-	1 279	-	1 279
Cash & cash equivalents	-	5 282	1 579	6 861
Deferred tax asset	111	1 596	110	1 817
Deferred tax liability	(110)	(9 516)	(2 236)	(11 862)
Provisions	-	(3 339)	-	(3 339)
Trade and other payables	(1 204)	(8 537)	(1 979)	(11 720)
Total identifiable net assets	8 618	34 352	8 791	51 761
Non-controlling interest	(1 718)	(17 520)	-	(19 238)
Goodwill/(Bargain Purchase) attributable to owners of the parent	-	1 168	(8 790)	(7 622)
Total	6 900	18 000	1	24 901
Total purchased consideration settled in cash	6 900	18 000	1	24 901
Less: cash and cash equivalents in the business combination acquired	-	(5 282)	(1 579)	(6 861)
Cash outflow/(inflow) on acquisition for cash flow statement	6 900	12 718	(1 578)	18 040

Notes to the group financial statements (continued)

6. Business combinations (continued)

Transactions with non-controlling interests ("NCI")

Bauba Resources (Pty) Ltd[1] ("Bauba")
Transaction 1:
As previously disclosed, the acquisition of Bauba in the prior year, 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 the Group owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share was opened to shareholders. After an extension of the original closing date, the mandatory offer closed on 10 June 2022 resulting in the Group acquiring an additional 79 412 185 shares (10.59%) of Bauba for R33.4 million.

Transaction 2:
On 28 June, the Group opened a general offer to purchase shares from shareholders for 42 cents per share. The general offer closed on 19 August 2022 resulting in an additional 99 637 746 shares (13.29%) of Bauba being acquired by the Group for R41.8 million. The net effect of the above transactions has resulted in the Group's effective ownership in Bauba increasing to 74.97% as at 31 August 2022.

Transaction 3:
On 7 October 2022, the Group effectively sold 89.3 million shares in Bauba to a non-controlling shareholder for R37.5 million (42 cents per share). The Group's effective ownership of Bauba has decreased to 63.06%. The Group is deemed to still exercise control in terms of IFRS 10.

Transaction 4:
In terms of the circular issued to shareholders on 27 October 2022, Bauba cancelled 15.9 million non-controlling shareholders shares effective 6 December 2022 (closing date). Of the 15.9 million shares cancelled, 9.9 million elected their exit and where paid R6.7 million (42 cents per share). The balance of shares were default exits based on no responses being received. The amounts owed to these shareholders has been provided for and will expire three years from circular date (27 October 2025). The Group's effective ownership of Bauba increased to 64.43% as a result of the cancelled shares.

Transaction 5:
On 19 November 2022, Bauba A Hlabirwa Mining Investments (Pty) Ltd ("BAH"), a subsidiary of Bauba, issued additional shares in terms of a rights offer, where a loan of R130 million, owed to Bauba, was capitalised in return for additional shares. Bauba's effective ownership of BAH increased to 73.68% as a result of the transaction.

[1] *Bauba, previously known as Bauba Resources Limited, was removed from the JSE as a listed entity on 23 August 2022. Subsequently, the entity filed an amendment of its memorandum of incorporation with CIPC, in terms of section 16 of the Companies Act, 2008, to change its company category to a Private Company and its name to Bauba Resources (Pty) Ltd. This amendment took effect from 7 October 2022.*

Metadynamics (Pty) Ltd ("Metadynamics")
Effective 1 June 2022, the Group's subsidiary OMV (Pty) Ltd (70% effectively held), acquired the remaining 30% of Metadynamics from non-controlling shareholders for R25 million cash. This transaction increased the Group's effective shareholding of Metadynamics from 49% to 70%.

Donkerhoek Quarry (Pty) Ltd ("Donkerhoek")
On 1 August 2022, the Group, through its subsidiary Raumix Aggregates (Pty) Ltd, acquired the remaining 26% of Donkerhoek from a non-controlling shareholder for R16.5 million cash. The Group's effective shareholding increased from 74% to 100%.

Dune Resources (Pty) Ltd ("Dune Resources")
On 1 November 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired the remaining 38.2% of Dune resources non-controlling shareholders for R17.5 million cash. The Group's effective shareholding in Dune Resources increased from 61.8% to 100%, therefore also increasing the effective ownership of Namli from 40.1% to 65%.

B&E International (Namibia) (Pty) Ltd ("B&E Namibia")
Effective 1 December 2022, the Group restructured the Namibian operations of its subsidiary B&E International (Pty) Ltd. The group acquired an additional 6% in B&E Namibia for R3.8 million cash. The Group's effective shareholding increased from 74% to 80%. Subsequently the Group has established an employee trust for the entity and allocated 10% of its shareholding to the trust.

6. Business combinations (continued)

Transactions with non-controlling interests ("NCI") (continued)

Details of each of the above mentioned transactions are set out below:

	Change in ownership - Increase/(decrease in equity R'000	NCI (acquired)/ disposed of R'000	Total equity effect and Cash flow effect R'000
Bauba - Transaction 1 (Purchase)	(373)	(33 064)	(33 437)
Bauba - Transaction 2 (Purchase)	3 506	(45 270)	(41 764)
Bauba - Transaction 3 (Sale)	(3 362)	40 861	37 499
Bauba - Transaction 4 (Share buy back from NCI)	429	(7 123)	(6 694)
Bauba - Transaction 5 (rights offer by subsidiary)	(11 058)	11 058	-
Metadynamics	(17 721)	(7 279)	(25 000)
Donkerhoek	(2 593)	(13 907)	(16 500)
Dune Resources	(16 095)	(1 401)	(17 496)
B&E Namibia	(8 123)	4 243	(3 880)
Total	**(55 390)**	**(51 882)**	**(107 272)**
Total movements/cash (outflow)/inflow on transactions with NCI:			
Acquisition of shares from non-controlling shareholders	(52 457)	(85 620)	(138 077)
Disposal of shares to non-controlling shareholders	(3 362)	40 861	37 499
Share buy-back from non-controlling shareholders of subsidiary	429	(7 123)	(6 694)
Rights offer by subsidiary	(11 058)	11 058	-

Refer to note 45 - 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.

7. Financial instruments

Classification

Financial instruments are recognised when the entity becomes a 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 2022							
Loans to associates and joint ventures	14	9 526	-	-	-	-	9 526
Investment 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
At 28 February 2023							
Loans to associates and joint ventures	14	**-**	**-**	**-**	**-**	**-**	**-**
Investments in service concessions	15	**-**	**-**	**77 049**	**-**	**-**	**77 049**
Non-current trade and other receivables	18	**3 892**	**-**	**-**	**-**	**-**	**3 892**
Other financial assets	20	**275 793**	**55 334**	**103 944**	**-**	**-**	**435 071**
Trade and other receivables	18	**1 740 542**	**-**	**-**	**-**	**-**	**1 740 542**
Cash and cash equivalents	19	**1 697 292**	**-**	**-**	**-**	**-**	**1 697 292**
Borrowings	21	**-**	**-**	**-**	**(1 214 464)**	**-**	**(1 214 464)**
Other financial liabilities	23	**-**	**-**	**-**	**(61 790)**	**(20 884)**	**(82 674)**
Trade and other payables	24	**-**	**-**	**-**	**(2 535 953)**	**-**	**(2 535 953)**
Total		**3 717 519**	**55 334**	**180 993**	**(3 812 207)**	**(20 884)**	**120 755**

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 R148.8 million (2022: R97.8 million) and the total value of non-financial liabilities excluded from trade and other payables is R109.8 million (2022: R81.8 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 2022				
Loans to associates and joint ventures	14	9 526	9 526	a
Investment 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	
At 28 February 2023				
Loans to associates and joint ventures	**14**	**-**	**-**	a
Investments in service concessions	**15**	**77 049**	**77 049**	b
Non-current trade and other receivables	**18**	**3 892**	**3 892**	c
Other financial assets	**20**	**435 071**	**435 071**	d
Trade and other receivables	**18**	**1 740 542**	**1 740 542**	c
Cash and cash equivalents	**19**	**1 697 292**	**1 697 292**	e
Borrowings	**21**	**(1 214 464)**	**(1 214 464)**	f
Other financial liabilities	**23**	**(82 674)**	**(82 674)**	g
Trade and other payables	**24**	**(2 535 953)**	**(2 535 953)**	h
Total		**120 755**	**120 755**	

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 2023:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Liabilities				
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
At 28 February 2023				
Financial liabilities at fair value through profit or loss				
Contingent considerations	**-**	**-**	**9 403**	**9 403**
Foreign exchange contract	**-**	**11 481**	**-**	**11 481**
Total liabilities	**-**	**11 481**	**9 403**	**20 884**
Assets				
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
At 28 February 2023				
Financial assets at fair value through profit or loss				
Preference shares	**-**	**-**	**55 156**	**55 156**
Foreign exchange contract	**-**	**178**	**-**	**178**
Financial assets at fair value through other comprehensive income				
Equity investments	**103 515**	**-**	**429**	**103 944**
Investments in service concessions	**-**	**-**	**77 049**	**77 049**
Total assets	**103 515**	**178**	**132 634**	**236 327**

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 2023:

Assets	Note	Equity investments R'000	Total R'000
Year ended 28 February 2022			
Opening balance	20	-	-
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
Year ended 28 February 2023			
Opening balance	20	**90 977**	**90 977**
Foreign exchange effects recognised in equity	20	**6 164**	**6 164**
Fair value adjustment recognised in other comprehensive income	20	**6 374**	**6 374**
Closing balance		**103 515**	**103 515**

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 2023:

Assets	Note	Foreign exchange contract R'000	Total R'000
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**
Year ended 28 February 2023			
Opening balance		**21 765**	**21 765**
Fair value adjustment recognised in profit or loss	20	**(21 587)**	**(21 587)**
Closing balance		**178**	**178**
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**
Year ended 28 February 2023			
Opening balance		**16 806**	**16 806**
Fair value adjustment recognised in profit or loss	23	**(5 325)**	**(5 325)**
Closing balance		**11 481**	**11 481**

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 2023:

Liabilities	Note	Contingent considerations R'000	Total R'000
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
Year ended 28 February 2023			
Opening balance		**22 742**	**22 742**
Arising from acquisition of shares from non-controlling interest	23	**652**	**652**
Fair value adjustment recognised in profit or loss	23	**(1 709)**	**(1 709)**
Settlement during the year	23	**(12 282)**	**(12 282)**
Closing balance		**9 403**	**9 403**

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

Assets	Note	Equity investments R'000	Investment in service concession R'000	Preference shares R'000	Total R'000
Year ended 28 February 2022					
Opening balance		-	22 755	44 912	67 667
Fair value adjustment recognised in oci	15	-	398	-	398
Fair value adjustment recognised in profit or loss	32	-	-	4 859	4 859
Closing balance		-	23 153	49 771	72 924
Year ended 28 February 2023					
Opening balance		**-**	**23 153**	**49 771**	**72 924**
Investment acquired during the year		**429**	**-**	**-**	**429**
Foreign exchange effects recognised in equity		**-**	**-**	**-**	**-**
Fair value adjustment recognised in oci	15	**-**	**53 896**	**-**	**53 896**
Fair value adjustment recognised in profit or loss	32	**-**	**-**	**5 385**	**5 385**
Closing balance		**429**	**77 049**	**55 156**	**132 634**

See note 15 and note 20 for disclosures relating to the measurement of the investment in service concession, equity investments 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 (including loans to associates and joint ventures), 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 2022	Note	South African Rand and Namibian Dollar[1] 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
Other financial assets[2]	20	202 005	49 771	-	-	-	-	63 470	-	315 246
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
Other financial assets[2]	20	17 938	-	-	-	-	-	-	-	17 938
Total monetary assets		2 991 019	478 592	73 839	4 150	7 687	461	636 829	4 316	4 196 893
Non-current liabilities										
Borrowings	21	481 234	36 145	-	-	-	-	40 199	-	557 578
Other financial liabilities[2]	23	74 775	-	-	-	-	-	-	-	74 775
Current liabilities										
Borrowings	21	310 579	33 992	-	-	-	-	57 742	-	402 313
Contract liabilities	17	555 257	28 240	-	-	-	-	354 361	-	937 858
Other financial liabilities[2]	23	36 043	-	-	-	-	-	-	-	36 043
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		2 989 602	285 043	18 554	8 936	-	24 241	467 018	372	3 793 766
Net monetary assets/(liabilities) at year end		1 417	193 549	55 285	(4 786)	7 687	(23 780)	169 811	3 944	403 127

[1] No exchange risk exists between the South African Rand and the Namibian Dollar, as the exchange rate is pegged at 1:1.
[2] Other financial assets and liabilities were erroneously omitted from the disclosure in the prior year. Therefore the prior year disclosures have been amended to included other financial assets and liabilities. This has been done for presentation purposes and there is no impact on the groups profit or loss and statement of financial position disclosed in the prior year.

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 2023	Note	South African Rand and Southern African Common Monetary Area Currencies[1] 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	**3 892**	-	-	-	-	-	-	-	**3 892**
Other financial assets	20	**238 713**	**103 515**	-	-	-	-	**85 714**	-	**427 942**
Current assets										
Contract assets	17	**531 152**	**84 591**	-	-	-	-	-	-	**615 743**
Trade and other receivables	18	**1 291 315**	**364 305**	**25 411**	-	-	**5 637**	**53 800**	**74**	**1 740 542**
Cash and cash equivalents	19	**824 007**	**322 027**	**47 865**	**36**	-	**3 594**	**495 272**	**4 491**	**1 697 292**
Other financial assets	20	**7 129**	-	-	-	-	-	-	-	**7 129**
Total monetary assets		**2 896 208**	**874 438**	**73 276**	**36**	-	**9 231**	**634 786**	**4 565**	**4 492 540**
Non-current liabilities										
Borrowings	21	**593 804**	**90 321**	-	-	-	-	-	-	**684 125**
Other financial liabilities	23	**56 193**	-	-	-	-	-	-	-	**56 193**
Current liabilities										
Borrowings	21	**475 658**	**54 681**	-	-	-	-	-	-	**530 339**
Contract liabilities	17	**525 344**	**68 792**	-	-	-	-	-	-	**594 136**
Other financial liabilities	23	**26 481**	-	-	-	-	-	-	-	**26 481**
Trade and other payables	24	**2 061 335**	**410 915**	**24 162**	**4 696**	-	**29 098**	**1 929**	**3 818**	**2 535 953**
Total monetary liabilities		**3 738 815**	**624 709**	**24 162**	**4 696**	-	**29 098**	**1 929**	**3 818**	**4 427 227**
Net monetary assets/(liabilities) at year end		**(842 607)**	**249 729**	**49 114**	**(4 660)**	-	**(19 867)**	**632 857**	**747**	**65 313**

[1] No exchange risk exists between the South African Rand and currencies in the Southern African Common Monetary Area, as the exchange rates are 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 R148.8 million (2022: R97.8 million). The total value of non-financial liabilities excluded from trade and other payables is R109.8 million (2022: R81.8 million).

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 profit of the Group :

	Change in exchange rate	Increase/(decrease) in profit/(loss) of the group due to a depreciation of R'000	Increase/(decrease) in profit/(loss)of the group due to an appreciation of R'000
Year ended 28 February 2022			
Net increase/(decrease) in group profit/(loss)[1]		31 057	(31 057)
Australian Dollar	10%	12 067	(12 067)
Botswana Pula	10%	4 860	(4 860)
Central African Franc (Cameroon)	10%	676	(676)
Mozambique Metical	10%	(3 558)	3 558
US Dollar	10%	15 016	(15 016)
Zambian Kwacha	10%	1 996	(1 996)
Year ended 28 February 2023			
Net increase/(decrease) in group profit/(loss)		**57 245**	**(57 245)**
Australian Dollar	10%	**16 709**	**(16 709)**
Botswana Pula	10%	**769**	**(769)**
Central African Franc (Cameroon)	10%	**857**	**(857)**
Mozambique Metical	10%	**(4 212)**	**4 212**
US Dollar	10%	**39 425**	**(39 425)**
Zambian Kwacha	10%	**3 697**	**(3 697)**

[1] *The prior year disclosure has been amended to reflect the impact exchange rate sensitivity has on profit/loss. Previously this was done on operating profit to align to the operating segments. The restatement has no impact on the prior year profit or loss, statement of changes in equity or the statement of financial position.*

(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:

	2023		2022	
	1% R'000	**-1% R'000**	1% R'000	-1% R'000
Cash and cash equivalents	**12 221**	**(12 221)**	10 835	(10 835)
Bank borrowings	**(8 726)**	**8 726**	(6 116)	6 116
Loans to joint ventures and associates (note 14, 18 & 20)	**549**	**(549)**	89	(89)
Increase/(decrease) in profit	**4 044**	**(4 044)**	4 808	(4 808)

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.

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, therefore the estimated credit losses are immaterial. Refer to note 19 for credit ratings of cash and cash equivalents.

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:

	% of Total	Total R'000	Current R'000	Between 30 and 60 days R'000	Between 60 and 90 days R'000	Between 90 and 120 days R'000	More than 120 days R'000
For the year ended 28 February 2022							
South African National Road Agency							
Gross carrying value		266 327	237 256	21 506	345	7 220	-
Loss allowance		(3 252)	(2 897)	(263)	(4)	(88)	-
Net carrying value	13.9	263 075	234 359	21 243	341	7 132	-
South African Provincial and Municipal Government							
Gross carrying value		420 416	260 980	108 671	32 267	12 025	6 473
Loss allowance		(5 074)	(3 113)	(1 306)	(405)	(166)	(84)
Net carrying value	21.9	415 342	257 867	107 365	31 862	11 859	6 389
South African Private Sector							
Gross carrying value		951 122	432 524	177 734	73 266	43 848	223 750
Loss allowance		(107 434)	(23 304)	(12 441)	(15 344)	(9 208)	(47 137)
Net carrying value	44.5	843 688	409 220	165 293	57 922	34 640	176 613
Rest of Africa Public sector							
Gross carrying value		34 933	18 452	8 853	7 628	-	-
Loss allowance		(11 322)	(7 318)	(2 381)	(1 623)	-	-
Net carrying value	1.2	23 611	11 134	6 472	6 005	-	-
Rest of Africa Private sector							
Gross carrying value		229 105	202 666	11 070	5 540	5 540	4 289
Loss allowance		(3 658)	3 822	(82)	(44)	(781)	(6 573)
Net carrying value	11.9	225 447	206 488	10 988	5 496	4 759	(2 284)
Australia Public Sector							
Gross carrying value		33 669	33 669	-	-	-	-
Loss allowance		-	-	-	-	-	-
Net carrying value	1.8	33 669	33 669	-	-	-	-
Australia Private Sector							
Gross carrying value		92 918	89 539	1 744	1 635	-	-
Loss allowance		-	-	-	-	-	-
Net carrying value	4.9	92 918	89 539	1 744	1 635	-	-
Total trade and other receivables (note 18)							
Gross carrying value		2 028 490	1 275 086	329 578	120 681	68 633	234 512
Loss allowance		(130 740)	(32 810)	(16 473)	(17 420)	(10 243)	(53 794)
Net carrying value	100	1 897 750	1 242 276	313 105	103 261	58 390	180 718

Notes to the group financial statements (continued)

8. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

	% of Total	Total R'000	Current R'000	Between 30 and 60 days R'000	Between 60 and 90 days R'000	Between 90 and 120 days R'000	More than 120 days R'000
For the year ended 28 February 2023							
South African National Road Agency							
Gross carrying value		339 939	310 992	28 947	-	-	-
Loss allowance		(4 862)	(4 448)	(414)	-	-	-
Net carrying value	19.2	335 077	306 544	28 533	-	-	-
South African Provincial and Municipal Government							
Gross carrying value		188 793	121 789	62 694	463	538	3 309
Loss allowance		(2 790)	(1 541)	(1 119)	(6)	(17)	(107)
Net carrying value	10.7	186 003	120 248	61 575	457	521	3 202
South African Private Sector							
Gross carrying value		921 164	743 872	85 839	32 548	28 929	29 976
Loss allowance		(161 274)	(79 928)	(8 248)	(20 084)	(26 036)	(26 978)
Net carrying value	43.6	759 890	663 944	77 591	12 464	2 893	2 998
Rest of Africa Public sector							
Gross carrying value		21 441	21 441	-	-	-	-
Loss allowance		(3 212)	(3 212)	-	-	-	-
Net carrying value	1.0	18 229	18 229	-	-	-	-
Rest of Africa Private sector							
Gross carrying value		98 435	66 359	3 774	5 217	2 343	20 742
Loss allowance		(16 126)	(3 510)	(340)	(424)	(352)	(11 500)
Net carrying value	4.7	82 309	62 849	3 434	4 793	1 991	9 242
Australia Public Sector							
Gross carrying value		119 070	711	118 359	-	-	-
Loss allowance		(1 377)	(8)	(1 369)	-	-	-
Net carrying value	6.7	117 693	703	116 990	-	-	-
Australia Private Sector							
Gross carrying value		246 355	211 354	17 528	17 473	-	-
Loss allowance		(1 122)	(835)	(96)	(191)	-	-
Net carrying value	14.1	245 233	210 519	17 432	17 282	-	-
Total trade and other receivables (note 18)							
Gross carrying value		1 935 197	1 476 518	317 141	55 701	31 810	54 027
Loss allowance		(190 763)	(93 482)	(11 586)	(20 705)	(26 405)	(38 585)
Net carrying value	100	1 744 434	1 383 036	305 555	34 996	5 405	15 442

The total value of non-financial assets excluded from trade and other receivables is R148.8 million (2022: R97.8 million).

Contract assets[1]	Gross carrying value R'000	Loss allowance R'000	Net carrying value R'000	% of total
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	0.0
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
For the year ended 28 February 2023				
South African National Road Agency	315 441	(6 887)	308 554	50.1
South African Provincial and Municipal Government	55 281	(704)	54 577	8.9
South African Private Sector	164 551	(1 423)	163 128	26.5
Rest of Africa Public sector	2 126	(52)	2 074	0.3
Rest of Africa Private sector	42 980	(40 161)	2 819	0.5
Australia Public Sector	33 262	(382)	32 880	5.3
Australia Private Sector	51 977	(266)	51 711	8.4
Total contract assets (note 17)	665 618	(49 875)	615 743	100

[1] *All contract assets are current as they have not yet become due. Therefore age is not a factor when determining the loss allowances on contract assets.*

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 2022 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.

Currently the group's histroical loss rates are low. The group has never had to write any debt off that was owing by SANRAL. Some of the companies in the group insure 80% of their private customers. Private customer accounts receivables to the value of R101.3 million (2022: R70.5 million) was insured at the end of the reporting period.

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. The expected credit losses from this assessment are deemed to be immaterial.

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 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
Opening balance at 1 March 2022	**29 769**	**100 971**	**130 740**
Exchange differences	**295**	**235**	**530**
Acquisition of subsidiaries	**50**	**-**	**50**
Current year loss allowance	**15 542**	**76 264**	**91 806**
Amounts written off during the year as uncollectible	**(1 975)**	**(4 405)**	**(6 380)**
Unused amounts reversed	**(21 914)**	**(4 070)**	**(25 984)**
Closing balance at 28 February 2023 (refer to note 18)	**21 767**	**168 995**	**190 762**

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 2021	1 006	5 550	6 556
Exchange differences	50	-	50
Current year loss allowance[1]	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
Opening balance at 1 March 2022	**3 698**	**38 797**	**42 495**
Exchange differences	**329**	**6 532**	**6 861**
Current year loss allowance	**3 606**	**329**	**3 935**
Amounts written off during the year as uncollectible	**(2 062)**	**-**	**(2 062)**
Unused amounts reversed	**(1 354)**	**-**	**(1 354)**
Closing balance at 28 February 2023 (refer to note 17)	**4 217**	**45 658**	**49 875**

1 *R33.2 million of the prior 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.*

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. This has been assessed on the respective loan recipients risk in terms of liquid assets available or underlying asset value, where applicable, at the end of the reporting period. Furthermore, there have been no issues with repayments and no history of default exists on these financial assets.

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.

(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[1] R'000	Within 1 year R'000	2 to 5 years R'000	5 years and later R'000
Year ended 28 February 2022					
Non-derivative financial liabilities					
Bank 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
Year ended 28 February 2023					
Non-derivative financial liabilities					
Bank borrowings	**1 211 884**	**1 348 012**	**641 563**	**706 449**	**-**
Loans from related parties	**2 580**	**2 580**	**2 580**	**-**	**-**
Lease liabilities	**405 206**	**547 924**	**85 411**	**227 583**	**234 930**
Other financial liabilities	**71 193**	**85 052**	**15 000**	**70 052**	**-**
Trade and other payables	**2 535 953**	**2 535 953**	**2 535 953**	**-**	**-**
Total	**4 226 816**	**4 519 521**	**3 280 507**	**1 004 084**	**234 930**

1 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.

8. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk (continued)

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 R109.8 million (2022: R81.8 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 R11.5 million (2022: R16.8 million).

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 835.5 million (2022: R3 432.8 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.

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:

	2023 R'000	2022 R'000
Total borrowings (refer note 21)	**1 214 464**	959 891
Less: cash and cash equivalents (refer note 19)	**(1 697 292)**	(1 504 801)
Net debt	**(482 828)**	(544 910)
Total equity[1]	**5 802 890**	5 223 057
Total capital and net debt	**5 320 062**	4 678 147
Gearing ratio	**(9.1%)**	(11.6%)

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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:

	2023 R'000	2022 R'000
Borrowings (refer note 21)	**1 214 464**	959 891
Lease liabilities (refer note 12)	**405 206**	455 722
Other financial liabilities (refer note 23)	**82 674**	110 818
Trade and other payables (refer note 24)	**2 645 718**	1 867 002
Contract liabilities (refer note 17)	**594 136**	937 858
Current income tax liabilities	**117 368**	67 842
Defined debt/Total liabilities	**5 059 566**	4 399 133
Total equity[1]	**5 802 890**	5 223 057
Less: Intangible assets (refer note 13)	**(1 002 301)**	(978 155)
Defined shareholders' funds	**4 800 589**	4 244 902
Bank defined debt covenant gearing ratios:		
Defined debt/Defined shareholders' funds	**1.05**	1.04
Total liabilities/Total equity	**0.87**	0.84

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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:

	2023 R'000	2022 R'000
Borrowings (refer note 21)	**1 214 464**	959 891
Lease liabilities (refer note 12)	**405 206**	455 722
Total debt	**1 619 670**	1 415 613
Operating profit	**1 276 139**	945 316
Add: Depreciation and amortisation	**645 894**	434 454
EBITDA	**1 922 033**	1 379 770
Total Debt/EBITDA	**0.84**	1.03

Notes to the group financial statements (continued)

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.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Management views a substantial period to be longer than 12 months. All other borrowing costs are expensed.

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.

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. Stripping activities provide a benefit in the form of improved access to ore. The stripping assets recognised are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairment. Costs include those that are directly attributable to performing the stripping activity that improves access to the ore and an allocation of directly attributable overhead costs. A stripping ratio is used to separate development (stripping asset) and production (inventory) costs as mining occurs. The ratio is initially determined at exploration phase using a competent persons report on what the expected waste ratio is per ton of ore mined. This ratio is adjusted on an ongoing basis using actual stripping results as measured by independent third parties.

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 an indicator of impairment. 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. Expected cash flows associated with property, plant and equipment are affected by a number of factors including estimates of cost of production, sustaining capital expenditure and product markets. 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.

Notes to the group financial statements (continued)

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 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
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[1]	-	266 685	78 950	152 577	42 542	1 897	203	542 854
Additions	20 038	10 521	29 774	-	546 915	80 679	7 947	695 874
Disposal of subsidiary	-	-	-	-	(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	273 772	108 724	151 515	1 944 261	344 968	17 131	3 073 703
At 28 February 2022								
Cost	251 531	316 339	108 724	152 577	4 280 959	747 990	76 093	5 934 213
Accumulated depreciation	(18 199)	(42 567)	-	(1 062)	(2 336 698)	(403 022)	(58 962)	(2 860 510)
Net book amount	233 332	273 772	108 724	151 515	1 944 261	344 968	17 131	3 073 703
Year ended 28 February 2023								
Opening net book amount	**233 332**	**273 772**	**108 724**	**151 515**	**1 944 261**	**344 968**	**17 131**	**3 073 703**
Exchange differences	**11 340**	**-**	**-**	**-**	**22 057**	**2 768**	**352**	**36 517**
Acquisition of subsidiaries	**276**	**-**	**-**	**-**	**5 447**	**3 463**	**40**	**9 226**
Additions	**117 687**	**189 831**	**78 596**	**-**	**661 164**	**90 028**	**15 364**	**1 152 670**
Impairment loss	**-**	**-**	**-**	**-**	**(3 300)**	**-**	**-**	**(3 300)**
Disposals	**(1 985)**	**-**	**-**	**-**	**(40 606)**	**(10 792)**	**(574)**	**(53 957)**
Depreciation	**(2 591)**	**(33 232)**	**(133 633)**	**(9 485)**	**(338 654)**	**(49 409)**	**(10 032)**	**(577 036)**
Reclassification (note 13)	**(3 141)**	**-**	**-**	**-**	**(547)**	**362**	**2 801**	**(525)**
Finance lease cancellation[2]	**-**	**-**	**-**	**-**	**30 918**	**-**	**-**	**30 918**
Closing net book amount	**354 918**	**430 371**	**53 687**	**142 030**	**2 280 740**	**381 388**	**25 082**	**3 668 216**
At 28 February 2023								
Cost	**377 305**	**506 170**	**187 320**	**152 909**	**5 008 095**	**825 494**	**92 834**	**7 150 127**
Accumulated depreciation	**(22 387)**	**(75 799)**	**(133 633)**	**(10 879)**	**(2 727 355)**	**(444 106)**	**(67 752)**	**(3 481 911)**
Net book amount	**354 918**	**430 371**	**53 687**	**142 030**	**2 280 740**	**381 388**	**25 082**	**3 668 216**

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

[2] *In 2015, the group through its subsidiary B&E international, entered into a finance lease arrangement to provide crushing equipment to a client at the Tschudi Copper Mine in Namibia. During the current year this agreement was cancelled by mutual consent due to feasibility issues with the mine operation. Plant with a value of R30.9 million was recognised and the remaining net investment in the lease of R42.8 million (refer to note 18) was reversed. The corresponding loss was recognised in other gains and losses (refer to note 32). The value of the plant was determined using the market values of similar plant in similar condition with further consideration of the carrying values of similar plant held within the group.*

Aircraft with a book value of R40.9 million (2022: R41.7 million) have been included under vehicles.

Depreciation expense of R577.0 million (2022: R375.4 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 over vehicles and plant and machinery for a book value of R1 250.4 million (2022: R1 034.3 million).

Mortgage bonds to the value of R27.8 million (2022: R0.4 million) are registered over property with a carrying value of R55.3 million (2022: R49.5 million) as security for borrowings and asset finance facilities.

Lease rentals of R84.6 million (2022: R73.0 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.

Notes to the group financial statements (continued)

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.

	2023 R'000	2022 R'000
Opening balance	**114 495**	-
Additions	**-**	5 110
Transfers from inventory*	**-**	109 412
Depreciation	**(521)**	(27)
Closing balance	**113 974**	114 495
Cost	**114 495**	114 522
Accumulated depreciation	**(521)**	(27)
Net book amount	**113 974**	114 495

** In the prior year, the property transferred from inventory 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.

The fair value of the investment property at year end is as follows:	2023 R'000	2022 R'000
Residential rental units	**118 484**	111 158
Office rental unit	**5 730**	6 805

The fair values of the residential rental units were determined using the gross yield valuation method. A gross yield of 9.0% (2022: 9.5%) was used together with a projected annual rental income of R11.3 million (2022: 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 8.6% (2022: 5.6%) was used.

Amounts recognised in profit or loss for investment properties	2023 R'000	2022 R'000
Rental income	**11 256**	1 155
Direct operating expenses from property that generated rental income	**(889)**	(251)
Maturity analysis of lease payments to be received:		
Within 1 year*	**11 183**	10 353
Between 2 to 5 years	**3 196**	3 902
After 5 years	**3 437**	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	Other R'000	Total R'000
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
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	63 251	39 694	-	102 945
Disposal of subsidiary	(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

Notes to the group financial statements (continued)

12. Leases (continued)

Right-of-use assets (continued)	Land and buildings R'000	Plant and machinery R'000	Other R'000	Total R'000
Year ended 28 February 2023				
Opening net book value	**324 799**	**52 389**	**-**	**377 188**
Foreign exchange differences	**-**	**(191)**	**-**	**(191)**
Additions	**22 482**	**7 210**	**4 260**	**33 952**
Modifications	**(16 101)**	**-**	**-**	**(16 101)**
Reassessments	**1 554**	**-**	**-**	**1 554**
Lease terminations	**-**	**(7 849)**	**-**	**(7 849)**
Depreciation	**(39 367)**	**(13 146)**	**(568)**	**(53 081)**
Closing net book amount	**293 367**	**38 413**	**3 692**	**335 472**
At 28 February 2023				
Cost	**397 743**	**87 933**	**4 260**	**489 936**
Accumulated depreciation	**(104 376)**	**(49 520)**	**(568)**	**(154 464)**
Net book amount	**293 367**	**38 413**	**3 692**	**335 472**

Lease liabilities	2023 R'000	2022 R'000
Opening balance	**455 722**	381 880
Foreign exchange differences	**223**	(3)
Additions	**32 008**	22 380
Interest	**33 104**	29 443
Lease payments	**(99 245)**	(67 787)
Lease terminations	**(1 667)**	(1 377)
Reassessments	**1 940**	1 318
Modifications	**(16 879)**	281
Disposal of subsidiary (note 6)	**-**	(2 364)
Acquisition of subsidiary (note 6)	**-**	91 951
Closing balance	**405 206**	455 722
Current	**56 089**	63 003
Non-current	**349 117**	392 719
	405 206	455 722

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:

	2023 R'000	2022 R'000
Included in cost of sales and administrative expenses:		
Depreciation on right-of-use assets	**53 081**	43 668
Expenses relating to short-term leases[1]	**66 890**	61 310
Expenses relating to low-value asset leases	**4 637**	3 765
Expenses relating to variable lease payments not included in lease liabilities	**13 074**	7 973
Included in finance costs		
Interest expense (note 35)	**33 104**	29 443
The total cash outflow for leases during the year	**183 846**	140 835
Capital repayments on capitalised leases	**66 141**	38 344
Interest repayments on capitalised leases	**33 104**	29 443
Lease payments relating to short-term, low-value and variable leases not capitalised (note 33)	**84 601**	73 048

[1] *Short term leases relate largely to short term site accommodation.*

Notes to the group financial statements (continued)

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.

Subsequently right-of use assets are measured at cost less accumulated depreciation and impairment losses.

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 R173.5 million (2022: R170.7 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.

Notes to the group financial statements (continued)

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.

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

Notes to the group financial statements (continued)

13. Intangible assets (continued)

Trademarks and licences (continued)

Mining rights are initially recognised at cost. Mining rights acquired through business combinations are initially recognised at fair value. Subsequently they 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 as an asset 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, 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.

Notes to the group financial statements (continued)

13. Intangible assets (continued)

	Goodwill R'000	Trademarks R'000	Exploration and evaluation resources R'000	Mining rights R'000	Total R'000
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 subsidiaries[1]	3 441	-	-	-	3 441
Acquisition of Intangible assets	-	-		731	731
Impairment loss	(3 400)	-	-	(2 000)	(5 400)
Disposal of subsidiary	(16 908)	-		(11 827)	(28 735)
Exchange differences	(1 797)	-	-	-	(1 797)
Amortisation charge	-	(7 018)	-	(8 349)	(15 367)
Closing net book amount	837 174	14 035	-	126 946	978 155
At 28 February 2022					
Cost	912 084	21 053	-	173 465	1 106 602
Accumulated amortisation and impairment	(74 910)	(7 018)	-	(46 519)	(128 447)
Net book amount	837 174	14 035	-	126 946	978 155
Year ended 28 February 2023					
Opening net book amount	**837 174**	**14 035**	**-**	**126 946**	**978 155**
Acquisition of subsidiary (note 6)	**1 168**	**-**	**9 821**	**33 820**	**44 809**
Reclassification from Property plant and equipment	**-**	**-**	**-**	**525**	**525**
Rehabilitation asset recognised during the year	**-**	**-**	**-**	**2 574**	**2 574**
Impairment loss	**(13 493)**	**-**	**-**	**-**	**(13 493)**
Exchange differences	**4 987**	**-**	**-**	**-**	**4 987**
Amortisation charge	**-**	**(7 018)**	**-**	**(8 238)**	**(15 256)**
Closing net book amount	**829 836**	**7 017**	**9 821**	**155 627**	**1 002 301**
At 28 February 2023					
Cost	**918 239**	**21 053**	**9 821**	**210 384**	**1 159 497**
Accumulated amortisation and impairment	**(88 403)**	**(14 036)**	**-**	**(54 757)**	**(157 196)**
Net book amount	**829 836**	**7 017**	**9 821**	**155 627**	**1 002 301**

1 *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

The goodwill impaired during the year relates to that of Shisalanga Construction (Pty) Ltd, which forms part of the Construction Materials division. The group has begun with a right sizing initiative to restructure the entity's operations. A restructuring provision has also been raised in this regard, refer to note 22.

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

Amortisation of intangible assets of R15.3 million (2022: R15.4 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 (restated) is presented below:

	Materials handling & mining R'000	Construction materials R'000	Roads and earthworks R'000	Infra-structure R'000	Total R'000
Goodwill					
Year ended 28 February 2022[1,2]	464 702	185 315	140 998	46 159	837 174
Year ended 28 February 2023	**465 870**	**171 823**	**140 998**	**51 145**	**829 836**
Trademarks					
Year ended 28 February 2022[2]	14 035	-	-	-	14 035
Year ended 28 February 2023	**7 017**	**-**	**-**	**-**	**7 017**
Exploration and evaluation resources					
Year ended 28 February 2022[1,2]	-	-	-	-	-
Year ended 28 February 2023	**9 821**	**-**	**-**	**-**	**9 821**
Mining rights					
Year ended 28 February 2022[2]	3 265	123 681	-	-	126 946
Year ended 28 February 2023	**36 360**	**119 267**	**-**	**-**	**155 627**
Total intangible assets					
Year ended 28 February 2022[1,2]	482 002	308 996	140 998	46 159	978 155
Year ended 28 February 2023	**519 068**	**291 090**	**140 998**	**51 145**	**1 002 301**

1 *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

2 *The prior year disclosures have been restated to reflect the change in operating segments. Refer to the reclassification of comparatives section of this note below for further details and the previously reported disclosures.*

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 29 February 2024. 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. 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.

The key assumptions used for recoverable amount calculations of goodwill were a long term growth rate of 7.1% (2022: 4.9%) and a pre-tax discount rate of 13.0% (2022: 14.4%). 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 8% (2022: 0% and 6%) were used with a pre-tax discount rate of between 13% and 20% (2022: 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 impairment made above, the recoverable amounts of intangible assets, on all CGU's will still exceed their carrying values if the growth rate is 0% (2022: 0%). A rise in the pre-tax discount rate to 22.4% (2022: 17.2%) will not give rise to impairment and the recoverable amount will still exceed the carrying value.

Reclassification of comparative figures

As previously disclosed in note 3, the Group reported three operating segments in the prior year, these being Materials, Roads and Earthworks and Infrastructure. This has changed in the current year and the Group now reports four operating segments. The prior year segment disclosures have therefore been amended to reflect the four operating segments accordingly which has resulted in the restatement of the prior year figures.

An operating segment-level summary of the intangible asset allocation as previously reported below:

	Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Total R'000
Goodwill				
Year ended 28 February 2022[1]	**574 290**	**216 632**	**46 252**	**837 174**
Trademarks				
Year ended 28 February 2022	**14 035**	**-**	**-**	**14 035**
Exploration and evaluation resources				
Year ended 28 February 2022[1]	**-**	**-**	**-**	**-**
Mining rights				
Year ended 28 February 2022	**126 946**	-	-	**126 946**
Total intangible assets				
Year ended 28 February 2022[1]	**715 271**	**216 632**	**46 252**	**978 155**

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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 46).

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:	2023 R'000	2022 R'000
Investment in associates	**4 016**	(3 457)
Loans to associates	**-**	9 526
Investment in joint ventures	**5 057**	6 290
	9 073	12 359

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 12.75% (2022: 9.50%) with no fixed repayment terms where applicable.

Share of loss of equity accounted investments is made up as follows:		
Share of loss from associates (note 14.1)	**(1 882)**	(16 017)
Share of (loss)/profit from joint ventures (note 14.2)	**(1 362)**	55
(Loss)/Profit on remeasurement of associate (note 14.1)[1]	**(3 769)**	11 233
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	**(7 013)**	(6 172)

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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 other financial assets line in in the statement of financial position (previously the investment in associate line).

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:		
Carrying value at the beginning of the year	**6 069**	17 495
Investment in associate - Lufhereng	**1 098**	71 441
Loss allowance on loans to associate	**-**	(7 700)
Loans to associates	**3 000**	-
Loans from associates	**(500)**	-
Share of loss in associate	**(1 882)**	(16 017)
Remeasurement of investment to fair value on step up acquisition[1] (Bauba - refer to note 6)	**-**	11 233
Change in ownership[1] (Bauba - refer to note 6)	**-**	(70 383)
Remeasurement of investment to fair value on step up acquisition (Centremark- refer to note 6)	**(3 769)**	-
Carrying value at end of the year	**4 016**	6 069

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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 incorporation	% of attributable interest 2023	% of attributable interest 2022	Nature of the relationship	Measurement method
Lufhereng Development Company (Pty) Ltd ("Lufhereng ")	South Africa	38	25.34	Note 1	Equity
Centremark Roadmarking (Pty) Ltd ("Centremark")	South Africa	-	44	Note 2	Equity
Bauba Resources (Pty) Ltd ("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. Effective 1 April 2022, the group acquired additional shares from an exiting shareholder which increased its shareholding to 38%. The cost of the additional shares was R1.1 million.

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. The group acquired control of Centremark effective 1 February 2023, refer to note 6 for further details.

Note 3: Bauba is a mining company 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 prior 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.

The associates listed above are private companies and there are no quoted market prices available for their shares.

Financial Information at 100%	**Lufhereng**		**Centremark[1]**		**Bauba[2]**	
Statement of financial position	**2023 R'000**	**2022 R'000**	**2023 R'000**	**2022 R'000**	**2023 R'000**	**2022 R'000**
Assets						
Non-current assets	**10**	9	**-**	5 387	**-**	-
Current assets	**93 750**	224 455	**-**	6 608	**-**	-
Total Assets	**93 760**	224 464	**-**	11 995	**-**	-
Equity and liabilities						
Equity	**10 585**	10 190	**-**	(13 722)	**-**	-
Non-current liabilities	-	**-**	**-**	1 434	**-**	-
Current liabilities	**83 175**	214 274	**-**	24 283	**-**	-
Total equity and liabilities	**93 760**	224 464	**-**	11 995	**-**	-
Statement of profit or loss						
Revenue	**177 300**	263 744	**11 971**	12 663	**-**	234 631
Profit/(Loss)	**395**	108	**(5 032)**	(8 527)	**-**	(46 577)

[1] *Only included loss to date of Centremark in the current year while it was an associate from 1 March 2022 to 31 January 2023. Centremark became a subsidiary consolidated effective 1 February 2023. Refer to note 6 for further details*

[2] *In the prior year, only included the loss to date of 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.

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

	2023 R'000	**2022 R'000**
Carrying value at the beginning of the year	**6 290**	33 657
Investment in joint ventures - Ndlu	**129**	-
Bargain purchase on investment in joint venture - Voliere	**-**	6 173
Share of (loss)/profit in joint ventures	**(1 362)**	55
Loan (repayments from)/advances to joint ventures	**-**	(33 679)
Disposal of joint venture - Waterfall George	**-**	84
Carrying value at end of the year	**5 057**	6 290

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

Notes to the group financial statements (continued)

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 incorporation	% of attributable interest 2023	% of attributable interest 2022	Nature of the relationship	Measurement method
Ndlu Housing (Pty) Ltd ("Ndlu")	South Africa	50.01	33.34	Note 1	Equity
Voliere Development Company (Pty) Ltd ("Voliere")	South Africa	50	50	Note 2	Equity

Note 1: Ndlu Housing was established in order to execute work on the Lufhereng Mixed Integrated Development for the City of Johannesburg. During the year additional shares were purchased from an exiting shareholder at a cost R128,661. This increased the groups effective ownership to 50.01%. Although just more than 50% of the shares are owned by the group, control is deemed not to exist in terms of IFRS 10 due to the fact that the original agreements governing the management of the entity are still in effect which require unanimous consent in terms of board and shareholders resolutions.

Note 2: 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.

Financial Information at 100%	Ndlu 2023 R'000	Ndlu 2022 R'000	Voliere 2023 R'000	Voliere 2022 R'000
Statement of financial position				
Assets				
Non-current assets	**8**	6	**400**	23
Current assets	**29 522**	26 908	**118 496**	54 261
Total Assets	**29 530**	26 914	**118 896**	54 284
Equity and liabilities				
Equity	**452**	337	**9 649**	12 343
Non-current liabilities	**-**	-	**5 400**	3 730
Current liabilities	**29 078**	26 577	**103 847**	38 211
Total equity and liabilities	**29 530**	26 914	**118 896**	54 284
Statement of profit or loss				
Revenue	**79 808**	99 810	**-**	-
Profit/(Loss)	**115**	56	**(2 694)**	-

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

	Equity R'000	Group's share %	Group's share R'000	Loans to associates and Joint ventures R'000	Carrying amount R'000
Centremark	(13 722)	44	(6 033)	9 526	3 493
Lufhereng	10 190	25.34	2 582	-	2 582
Ndlu Housing	337	33.34	112	-	112
Voliere	12 343	50	6 172	-	6 172
Carrying amount at 28 February 2022					8 866
Lufhereng	**10 585**	**38.00**	**4 022**	**-**	**4 022**
Ndlu Housing	**452**	**50.01**	**226**	**-**	**226**
Voliere	**9 649**	**50**	**4 825**	**-**	**4 825**
Carrying amount at 28 February 2023					**9 073**

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.

	2023 R'000	2022 R'000
Balance at 1 March 2022	**23 153**	22 755
Fair value adjustment	**53 896**	398
Balance at 28 February 2023	**77 049**	23 153

Details of the groups investment are as follows:

Name of Concession	Country	Initial cost of investment ($'000)	% interest 2023	% interest 2022	Concession period	Concession status	Concession details
Zimborders	Zimbabwe	1 500	2.82	2.82	17.5	Operational	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.

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.

The operational phase of the concession commenced on 1 December 2022 with a 17.5 year term, ending 31 May 2040.

The fair value of the investment was determined using the discounted cash flow as the concession is now operational.

The underlying project cash flows are derived from cashflow models provided by the Concession's Management Board. The primary inputs to such models include the most recent independent traffic study, macroeconomic forecast application, updated overhead budgets and road rehabilitation plans.

Below is a sensitivity analysis with regards to the significant inputs, used to calculate the fair value ("FV") at the end of the year:

	2023 Rate used	2022 Rate used	Effect on FV if rate was 5% higher year end 2023 R'000	Effect on FV if rate was 5% higher year end 2022 R'000	Effect on FV if rate was 5% lower year end 2023 R'000	Effect on FV if rate was 5% lower year end 2022 R'000
Exchange rate - USD (observable)	18.41	-	**3 852**	-	**(3 852)**	-
Discount rate (unobservable)	12.5%	-	**(22 798)**	-	**39 656**	-

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.

	2023 R'000	2022 R'000
Crusher stone	**248 025**	212 345
Chrome ore and other PGMs[1]	**176 473**	126 234
Gypsum	**40 032**	41 646
Consumable stores	**176 632**	76 000
Development land	**355 703**	130 364
Bitumen[2]	**160 888**	173 424
Other materials *(including manufacturing chemicals, rubber and emulsions)*	**148 023**	247 174
	1 305 776	1 007 187
Less: non-current inventories	**(27 419)**	(31 726)
Total current inventories	**1 278 357**	975 461

[1] *PGMs - Platinum Group Metals*

[2] *In the prior year Bitumen was included in other materials. The prior year disclosure has been represented to better disaggregate other materials. This has been done for presentation purposes and there is no impact on the amounts disclosed in the prior year.*

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 4 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 R3 748.3 million (2022: R2 871.7 million) (refer to note 33). No inventories are encumbered.

During the year, consumables to the value of R10.6 million and crusher stone to the value of R39.8 million were fully written down. This inventory relates to the group's operations in Pemba, Mozambique, which have been adversely affected by the continued suspension of Total's LNG development in the area. These write downs have also been included in cost of sales.

No other 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.

Notes to the group financial statements (continued)

17. Contract assets and liabilities (continued)

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, 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.

Contracts in progress and retentions are made up as follows:

	2023 R'000	2022 R'000
Costs incurred plus profits recognised, less recognised losses relating to contracts at year end	**13 264 687**	10 149 527
Less: progress billings	**(13 620 644)**	(10 849 117)
Net balance sheet position for ongoing contracts	**(355 957)**	(699 590)
Consisting of:		
Amounts due from customers for contract work	**280 267**	273 033
Less: loss allowance	**(42 088)**	(34 765)
Amounts due from customers for contract work - net of loss allowance	**238 179**	238 268
Amounts due to customers for contract work	**(594 136)**	(937 858)
Net balance sheet position for ongoing contracts	**(355 957)**	(699 590)
Retentions	**385 351**	230 620
Less: loss allowance	**(7 787)**	(7 730)
Retentions - net of loss allowance	**377 564**	222 890
Amounts due from customers for contract work	**238 179**	238 268
Retentions	**377 564**	222 890
Total contracts assets at reporting date	**615 743**	461 158
Amounts due to customers for contract work	**594 136**	937 858
Total contracts liabilities at reporting date	**594 136**	937 858

Retentions to be received after 12 months amounted to R112.8 million (2022: R96.7 million) and fall in the normal operating cycle of the group and are therefore classified as current.

Retentions have increase mainly due to the change in SANRAL's retention policy. SANRAL charges retentions at 10% of certificate value limited to 5% of the full contract value. This used to be capped at R5.0 million per contract but the cap has now been removed.

17. Contract assets and liabilities (continued)

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

	2023 R'000	2022 R'000
Balance at 1 March	**273 033**	206 190
Exchange differences	**14 242**	(2 245)
Contract assets recognised during the year on contracts started in the current year	**19 508**	142 673
Contract assets recognised during the year on contracts started in prior years	**247 060**	132 605
Contract assets reversed on contracts started in the current year	**(543)**	-
Contract assets reversed on contracts started in prior years	**(273 033)**	(206 190)
Balance at 28 February - before loss allowances	**280 267**	273 033
Loss allowance	**(42 088)**	(34 765)
Balance at 28 February - net of loss allowances	**238 179**	238 268

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:

	2023 R'000	2022 R'000
Balance at 1 March	**937 858**	666 620
Exchange differences	**36 317**	3 794
Contract liabilities recognised during the year on contracts started in the current year	**194 864**	270 236
Contract liabilities recognised during the year on contracts started in prior years	**368 876**	305 538
Contract liabilities reversed on contracts started in the current year	**(5 921)**	(11 175)
Contract liabilities reversed on contracts started in prior years	**(937 858)**	(297 155)
Balance at 28 February	**594 136**	937 858

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 reversed on contracts started in prior years" are reversals of R357.7 million that relate to the advance payment received for mobilisation on the Beitbridge Border Post Project in the 2021 financial year. The amount included in the closing balance at 28 February 2023 is R11.7 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.

Loss allowance on contract assets

	2023 R'000	2022 R'000
Balance at beginning of year	**42 495**	6 556
Exchange differences	**6 861**	50
Current year loss allowance for contract assets[1]	**3 935**	36 763
Contract assets written off during the year as uncollectible	**(2 062)**	(237)
Unused amounts reversed	**(1 354)**	(637)
Balance at the end of the year	**49 875**	42 495

[1] *R33.2 million of the loss allowance in the prior year 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.*

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.

18. Trade and other receivables (continued)

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.

	2023 R'000	2022 R'000
Trade receivables	**1 805 199**	1 814 024
Receivables under finance leases	**6 014**	42 807
Prepayments	**35 898**	38 251
Value-added taxation	**112 916**	59 506
Receivables from joint operations	**43 930**	29 482
Receivables from related parties (note 41)	**52 326**	132 668
Loans to joint operations	**11 815**	9 322
Loans to related parties (note 41)	**15 913**	187
Total trade and other receivables - before loss allowances	**2 084 011**	2 126 247
Less: loss allowance	**(190 763)**	(130 740)
Total trade and other receivables - net of loss allowances	**1 893 248**	1 995 507
Less: Non-current trade and other receivables (receivables under finance leases)	**(3 892)**	(13 516)
Total current trade and other receivables - net of loss allowances	**1 889 356**	1 981 991

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.

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

	2023 R'000	2022 R'000
South African Rand	**1 407 490**	1 602 411
Australian Dollar	**368 846**	133 313
Botswana Pula	**20 562**	29 458
Central African Franc	**-**	5 391
Eswatini Lilangeni	**270**	-
Lesotho Loti	**9 065**	-
Mozambican Metical	**19 542**	13 259
Namibian Dollar	**13 420**	57 854
US Dollar	**53 979**	152 795
Zambian Kwacha	**74**	1 026
	1 893 248	1 995 507

Loss allowance on trade and other receivables		
Balance at beginning of year	**130 740**	122 007
Exchange differences	**530**	(101)
Acquisition of subsidiaries	**50**	48
Disposal of subsidiary	**-**	(39)
Current year loss allowance for receivables	**91 806**	49 100
Receivables written off during the year as uncollectible	**(6 380)**	(28 837)
Unused amounts reversed	**(25 984)**	(11 438)
Balance at the end of the year	**190 762**	130 740

Notes to the group financial statements (continued)

18. Trade and other receivables (continued)

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

	2023 R'000	2022 R'000
Total gross investment in finance leases	**6 877**	47 827
No later than 1 year	**2 589**	33 794
Later than 1 year and no later than 5 years	**4 288**	14 033
Unearned finance income	**(863)**	(5 020)
Net investment in lease	**6 014**	42 807
Represented by:		
Present value of minimum lease instalments	**6 014**	42 807
No later than 1 year	**2 122**	29 291
Later than 1 year and no later than 5 years	**3 892**	13 516

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.

In 2015, the group through its subsidiary B&E international, entered into a finance lease arrangement to provide crushing equipment to a client at the Tschudi Copper Mine in Namibia. During the current year this agreement was cancelled by mutual consent due to feasibility issues with the mine operation. Plant to the value of R30.9 million was recognised (refer to note 10) and the remaining net investment in the lease to the value of R42.8 million was reversed. The corresponding loss was recognised in other gains and losses (refer to note 32).

The balance remaining at year end relates to a lessor financing arrangement entered into in the current year. The lease is for 2 loaders and the lessee is a related party, Allow All Trade (Pty) Ltd.

19. Cash and cash equivalents

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

	2023 R'000	2022 R'000
Cash on hand	**3 563**	3 553
Bank balances	**687 351**	735 798
Investments on call	**1 006 378**	765 450
Total cash and cash equivalents	**1 697 292**	1 504 801
For purpose of the consolidated cash flow statement, cash and cash equivalents consist of:	**1 697 290**	1 504 799
Cash on hand	**1 697 292**	1 504 801
Bank overdrafts (note 21)	**(2)**	(2)

The credit ratings breakdown of cash and cash equivalents is as follows:	**Rating**		
Cash and cash equivalents - Australia	AA	**322 027**	227 525
Cash and cash equivalents - South Africa and Rest of Africa	BB	**1 371 702**	1 273 723
Cash on hand	Not rated	**3 563**	3 553
		1 697 292	1 504 801

20. Other financial assets

Other financial assets consist of the following:
Debt instruments:
- Redeemable preference shares in ABI 2 (Pty) Ltd ("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 other comprehensive income).

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[1] R'000	Share-holders' loan R'000	Foreign exchange contracts R'000	Equity Investments R'000	Total R'000
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	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
Year ended 28 February 2023							
Opening Balance	**49 771**	**97 245**	**9 956**	**63 470**	**21 765**	**90 977**	**333 184**
- Loan advanced to joint venture	**-**	**-**	**112 866**	**-**	**-**	**-**	**112 866**
- Payments received	**-**	**-**	**(44 469)**	**-**	**-**	**-**	**(44 469)**
- Equity investments acquired	**-**	**-**	**-**	**-**	**-**	**429**	**429**
- Foreign exchange effects	**-**	**-**	**-**	**-**	**-**	**6 164**	**6 164**
Charged to statement of other comprehensive income:							
- Fair value adjustment	**-**	**-**	**-**	**-**	**-**	**6 374**	**6 374**
Charged to statement of profit or loss:							
- Fair value adjustment (note 32)	**5 385**	**-**	**-**	**-**	**(21 587)**	**-**	**(16 202)**
- Foreign exchange gain/(loss)	**-**	**-**	**-**	**12 820**	**-**	**-**	**12 820**
- Interest income	**-**	**-**	**4 829**	**-**	**-**	**-**	**4 829**
- Interest accrued (note 35)	**-**	**9 652**	**-**	**9 424**	**-**	**-**	**19 076**
At 28 February 2023	**55 156**	**106 897**	**83 182**	**85 714**	**178**	**103 944**	**435 071**
Non-current	**55 156**	**106 897**	**76 231**	**85 714**	**-**	**103 944**	**427 942**
Current	**-**	**-**	**6 951**	**-**	**178**	**-**	**7 129**
	55 156	**106 897**	**83 182**	**85 714**	**178**	**103 944**	**435 071**

[1] *Other includes the Other receivable from ABI and the loans to joint ventures.*

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.

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 2021 financial year R180.1 million was received, while R7.0 million remains outstanding due to the pending registration of one of the final properties.

Other - Loans to Joint Ventures

	Facility Limit R'000	Rate %	2023 R'000	2022 R'000
Voliere (note 14 - Joint Venture)	**66 730**	Prime + 2%	**64 536**	2 844
Ndlu (note 14 - Joint Venture)	**38 000**	Prime	**11 695**	-
			76 231	2 844

The loan to Voliere is in the form of a development revolving credit facility, which has been made available for the development of the Voliere Estate in Stellenbosch with draw downs being done monthly based on certified progress certificates. The group provides development bridging finance to Ndlu in the form of a rolling overdraft facility.

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 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	2023 R'000	2022 R'000
Vanadium Resources Limited ("VR8")	9.56%	ASX Listed price - level 1	**32 924**	**33 996**
Arcadia Minerals Limited ("Arcadia")	27.73%	ASX Listed price - level 1	**70 591**	**56 981**
Leeuwpoort Developments (Pty) Ltd ("Leeuwpoort")	50%	NAV[1] - Level 3	**429**	**-**
			103 944	**90 977**

[1] NAV - Net asset value of Leeuwpoort Developments (Pty) Ltd

Neither control nor significant influence in terms of IAS 28 has been met for the above mentioned equity investments.

Notes to the group financial statements (continued)

20. Other financial assets (continued)

Equity investments (continued)

Arcadia

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.

Leeuwpoort

During the year, the group, through its subsidiary Raubex Building, acquired 50% shareholding in Leeuwpoort. Leeuwpoort is a land development company which currently holds residential development rights in Ekurhuleni Metro Municipality. As shareholder, the group's rights are however restricted due to a purchase option that is available to the previous shareholder. The option is exercisable at any time within 3 years and the 3 year period can also be extended if agreed to by all parties.

The share transaction and option agreement were effectively entered into as security over debt owed to the group by the previous shareholder in Leeuwpoort. In terms of the sale of shares agreement, all benefits as shareholder are to be used to reduce claims owed to the group by the previous shareholder.

The group's board and management committee ("Manco") appointment rights have also been limited as the group needs to appoint representation of the previous shareholder as part of their allotted quota. Effectively watering down the group influence at both the board and Manco levels.

Furthermore, Leeuwpoort has been set up as a special purpose entity, so any oversight of the entities operations via the board or Manco are restricted to the original purpose and effectively cannot be influenced or changed in anyway by the group's board and Manco representation.

Therefore the group is deemed not to control or have significant influence over Leeuwpoort.

Sensitivity analysis - Equity investments held at FVOCI	**2023**	**2022**
Total impact on equity - Other components of equity:	**R'000**	**R'000**
10% increase in share price listed on the ASX/Leeuwpoort NAV	**10 394**	9 098
10% decrease in share price listed on the ASX/Leeuwpoort NAV	**(10 394)**	(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 prior 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 July 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	**21 777**	**15.00**	**18.41**	**18.45 to 18.63**	**178**	**-**
Total put positions - financial liabilities	**17 422**	**18.18 to 18.82**	**18.41**	**18.45 to 18.63**	**(11 481)**	**-**
Net asset at year end					**(11 303)**	**-**

	USD Amount (USD'000)		**Average exchange rate (R)**		**ZAR Amount (R'000)**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Foreign exchange contracts settled during the year	**37 822**	8 240	**16.41**	15.54	**620 588**	128 054

Notes to the group financial statements (continued)

20. Other financial assets (continued)

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 equity and profit /(loss) if discount rate was 2.5% higher at acquisition date R'000	Effect on equity and profit /(loss) 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)

	2023 R'000	2022 R'000
Non-current		
Bank borrowings	**684 125**	517 379
Loans from related parties (note 41)	**-**	40 199
Total non-current borrowings	**684 125**	557 578
Current		
Bank borrowings	**527 757**	332 013
Loans from related parties (note 41)	**2 580**	70 298
Bank overdrafts	**2**	2
Total current borrowings	**530 339**	402 313
Total borrowings	**1 214 464**	959 891

Bank borrowings

The bank borrowings are secured by hypothec over vehicles and plant and machinery with a book value of R1 250.4 million (2022: R1 034.3 million) and repayable in monthly instalments of R41.9 million (2022: R32.7 million) with an effective interest rate ranging between 4.25% and 9.25% per annum (2022: 2.49% and 6.00%). Bank borrowings mature September 2027.

Mortgage bonds to the value of R27.8 million (2022: R0.4 million) are registered over property with a carrying value of R55.3 million (2022: R49.5 million) as security for borrowings and asset finance facilities.

In addition, the group has unutilised facilities for asset backed finance of R719.6 million (2022: R355.9 million). The facilities are subject to annual review.

Gross future minimum payments on bank borrowings are as follows:	2023 R'000	2022 R'000
No later than 1 year	**641 563**	370 904
Later than 1 year and no later than 5 years	**706 449**	540 400
	1 348 012	911 304
Future finance charges on bank borrowings	**(136 128)**	(61 910)
Present value of bank borrowings	**1 211 884**	849 394

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 were 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's original maturity date was 31 May 2024 and was repayable in monthly instalments of USD 0.13 million. Loan 2 was a variable rate (three-month LIBOR plus 6.45%) loan for USD 5.0 million entered into on 04 August 2020. The loan's original maturity date was 31 May 2023 and was repayable in monthly instalments of USD 0.15 million. Both loans were settled in full during the year.

The other related party loan was a fixed rate (5.8%) short term loan with Bapedi Nation (Non-controlling shareholder) for R10 million that was settled on 31 March 2022.

The group considered the effects of interest rate benchmark reform in the prior year and deemed the effect not applicable on its future cash flows as the loan linked to the 3 month LIBOR rate was expected to be fully paid up by before the last date for publication of the 3 month LIBOR rate of 30 June 2023.

The Independent Family Trust loan of R2.6 million is unsecured, interest free and has no fixed terms of repayment.

Gross future minimum payments on loans from related parties are as follows:	2023 R'000	2022 R'000
No later than 1 year	**2 580**	77 057
Later than 1 year and no later than 5 years	**-**	43 092
	2 580	120 149
Future finance charges on loans from related parties	**-**	(9 652)
Present value of loans from related parties	**2 580**	110 497

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	Legal provision R'000	Restructuring provision R'000	Post-employment benefits R'000	Total R'000
At 1 March 2021	5 840	108 471	-	-	1 104	115 415
Acquisition of subsidiaries	-	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 35)	-	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)
Actuarial loss for the year	-	-	-	-	1 178	1 178
At 28 February 2022	2 788	132 738	-	-	2 362	137 888
Acquisition of subsidiaries (note 6)	**-**	**3 339**	**-**	**-**	**-**	**3 339**
Exchange differences	**-**	**(40)**	**-**	**-**	**-**	**(40)**
Charged to statement of profit or loss:						
- Additional provision	**4 225**	**11 367**	**2 657**	**8 900**	**-**	**27 149**
- Unwinding of discount (note 35)	**-**	**3 985**	**-**	**-**	**-**	**3 985**
- Provisions utilised	**-**	**(8 864)**	**-**	**-**	**-**	**(8 864)**
- Current service cost	**-**	**-**	**-**	**-**	**28**	**28**
- Interest expense	**-**	**-**	**-**	**-**	**279**	**279**
- Expected employer benefit payments	**-**	**-**	**-**	**-**	**(113)**	**(113)**
Actuarial gain for the year	**-**	**-**	**-**	**-**	**(500)**	**(500)**
At 28 February 2023	**7 013**	**142 525**	**2 657**	**8 900**	**2 056**	**163 151**

Analysis of total provisions:	**2023 R'000**	**2022 R'000**
Non-current		
Rehabilitation provision	**133 025**	132 738
Post-employment benefits	**1 940**	2 138
Total non-current provisions	**134 965**	134 876
Current		
Rehabilitation provision	**9 500**	-
Materials provision	**7 013**	2 788
Legal provision	**2 657**	-
Restructuring provision	**8 900**	
Post-employment benefits	**116**	224
Total current provisions	**28 186**	3 012
Total provisions	**163 151**	137 888

Additional provisions to the value of R4.3 million (2022: R17.7 million) relating to the rehabilitation required by Bauba at the Kookfontein and Moeijelijk operations were capitalised to stripping assets and mine infrastructure in property plant and equipment (note 10). R2.6 million of the current year rehabilitation provision was raised to intangible assets for the rehabilitation of quarries.

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 7.15% (2022: 3.80%) and an average inflation rate of 7.05% (2022: 4.60%) 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.

The rehabilitation provisions are secured by financial institution backed guarantees issued to the Department of Mineral Resources to the amount of R160.3 million (2022: R124.0 million).

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 2023 %	Discount rate used to establish PV 2022 %	Effect on PV, if discount rate was 2.5% higher 2023 R'000	Effect on PV, if discount rate was 2.5% higher 2022 R'000	Effect on PV, if discount rate was 2.5% lower 2023 R'000	Effect on PV, if discount rate was 2.5% lower 2022 R'000
Rehabilitation provision	**7.15%**	3.80%	**(4 041)**	(2 680)	**6 971**	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 considerations R'000	Voluntary rebuilding programme R'000	Foreign exchange contracts R'000	Total R'000
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 35)	-	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
At 1 March 2022	**22 742**	**71 270**	**16 806**	**110 818**
- Exchange differences	**652**	**-**	**-**	**652**
Charged to statement of profit or loss:				
- Unwinding of discount (note 35)	**-**	**5 520**	**-**	**5 520**
- Fair value adjustments (note 32)	**(1 709)**	**-**	**(5 325)**	**(7 034)**
Settlement of financial liabilities:				
- Contingent considerations	**(12 282)**	**-**	**-**	**(12 282)**
- Voluntary Rebuilding Programme Settlement	**-**	**(15 000)**	**-**	**(15 000)**
At 28 February 2023	**9 403**	**61 790**	**11 481**	**82 674**
Non-current	**9 403**	**46 790**	**-**	**56 193**
Current	**-**	**15 000**	**11 481**	**26 481**
	9 403	**61 790**	**11 481**	**82 674**

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[1] 2023 %	Discount rate used to establish FV 2022 %	Effect on FV, if discount rate was 2.5% higher 2023 R'000	Effect on FV, if discount rate was 2.5% higher 2022 R'000	Effect on FV, if discount rate was 2.5% lower 2023 R'000	Effect on FV, if discount rate was 2.5% lower 2022 R'000
Transkei – Contingent Consideration	**6.90%**	3.90%	**(397)**	(432)	**426**	465

[1] *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.

Notes to the group financial statements (continued)

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.

The contingent consideration was settled on 2 June 2022 for a value of R5.5 million.

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. The measurement period was subsequently 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 6.9% (2022: 3.9%), 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 in the prior year. 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 was required to pay the previous owner an additional AUD 0.6 million in the current financial year.

The contingent consideration was settled on 5 July 2022.

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%.

The group has 5 payments remaining, which are to be settled on 1 July each year.

	2023 R'000	2022 R'000
Voluntary rebuilding programme	**75 000**	90 000

Foreign exchange contract

Refer to description in note 20.

Notes to the group financial statements (continued)

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.

	2023 R'000	2022 R'000
Trade payables	**1 092 300**	937 522
Payables due to joint operations (other operator)	**1 465**	13 164
Payables due to related parties (note 41)	**53 932**	974
Loans from joint operations	**12 683**	2 957
Loans from related parties (note 41)	**100**	100
Value-added taxation	**109 765**	81 803
Employee accruals[1]	**433 443**	263 340
Accruals and other payables	**942 030**	567 142
Total trade and other payables	**2 645 718**	1 867 002

1 *In the prior year Employee accruals were included in accruals and other payables. The prior year disclosure has been represented to better disaggregate accruals and other payables. This has been done for presentation purposes and there is no impact on the amounts disclosed in the prior year.*

The loans from related parties and joint operations 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.

Notes to the group financial statements (continued)

25. Deferred income tax (continued)

	2023 R'000	2022 R'000[1]
Deferred tax assets		
Non-current	**(171 216)**	(132 474)
Deferred tax liabilities		
Non-current	**317 181**	265 130
Deferred tax liabilities (net)	**145 965**	132 656

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

A net deferred tax liability amount of R48.8 million (2022: R63.2 million net liability) is expected to be reversed over the next 12 months.

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

	2023 R'000	2022 R'000
Balance at beginning of year	**132 656**	112 624
Exchange differences	**970**	2 169
Acquisition of subsidiary[1]	**10 045**	(15 946)
Disposal of subsidiary	**-**	(5 166)
Change in tax rate	**(3 409)**	-
Charged to statement of profit or loss	**3 887**	30 861
Charged to comprehensive income	**1 816**	8 114
Balance at year end	**145 965**	132 656

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

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 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[1]	74 247	-	-	74 247
At 28 February 2022	536 033	(1 616)	10 007	544 424
Exchange differences	**1 482**	**-**	**-**	**1 482**
Change in tax rate[2]	**(18 073)**	**(2 531)**	**-**	**(20 604)**
Charged to statement of profit or loss	**32 750**	**71 230**	**-**	**103 980**
Charged to comprehensive income	**-**	**-**	**1 730**	**1 730**
Acquisition of subsidiaries	**11 856**	**6**	**-**	**11 862**
At 28 February 2023	**564 048**	**67 089**	**11 737**	**642 874**

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Deferred tax assets	Provisions R'000	Tax losses R'000	Other R'000	Total R'000
At 1 March 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)
Exchange differences	**217**	**(709)**	**(20)**	**(512)**
Change in tax rate[2]	**8 367**	**4 403**	**4 425**	**17 195**
Charged to statement of profit or loss	**(104 604)**	**153**	**4 358**	**(100 093)**
Charged to comprehensive income	**86**	**-**	**-**	**86**
Acquisition of subsidiaries	**(1 127)**	**(690)**	**-**	**(1 817)**
At 28 February 2023	**(239 339)**	**(137 267)**	**(120 303)**	**(496 909)**

[2] *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.*

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 R4.5 million (2022: 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.

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 issued '000	Ordinary shares R'000	Share premium R'000	Total R'000
At 1 March 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
At 28 February 2023	**181 750**	**1 817**	**2 059 688**	**2 061 505**

No new shares were issued during the year (2022: nil).

The total authorised number of ordinary shares is 500 million shares (2022: 500 million) with a par value of 1 cent per share (2022: 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.

	2023 R'000	2022 R'000
Treasury shares held by Raubex (Pty) Ltd	**78 801**	47 077
Total	**78 801**	47 077

Treasury shares are shares in Raubex Group Limited that are held by group companies. During the current year 1 083 731 (2022: 606 354) treasury shares were transferred to employees in terms of the equity settled performance share scheme that vested on 1 August 2022 (2022: 1 August 2021), refer to note 39 for further details. During the year, the group, through its subsidiary Raubex (Pty) Ltd, purchased an additional 1 884 548 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 R31.52 (2022: R27.71).

Analysis of movement in treasury shares:	Number of shares	Value R'000
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
Treasury shares used in settlement of performance share options	**(1 083 731)**	**(30 026)**
Treasury shares acquired by Raubex (Pty) Ltd	**1 884 548**	**61 750**
At 28 February 2023	**2 500 000**	**78 801**

Notes to the group financial statements (continued)

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 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 39)	-	-	17 248	-	17 248
Performance shares vested during the year (note 39)	-	-	(9 286)	-	(9 286)
At 28 February 2022	29 299	15 274	34 711	(1 175 298)	(1 096 014)
Translation difference of foreign subsidiaries	**50 940**	**-**	**-**	**-**	**50 940**
Non-controlling interests' portion of translation difference of foreign subsidiaries	**(10 599)**	**-**	**-**	**-**	**(10 599)**
Change in fair value of investments held at FV through OCI	**-**	**58 540**	**-**	**-**	**58 540**
Performance shares granted to employees (note 39)	**-**	**-**	**5 741**	**-**	**5 741**
Performance shares vested during the year (note 39)	**-**	**-**	**(16 317)**	**-**	**(16 317)**
At 28 February 2023	**69 640**	**73 814**	**24 135**	**(1 175 298)**	**(1 007 709)**

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

	2023 R'000	2022 R'000
Balance at beginning of year	**425 161**	270 839
Profit attributable to non-controlling interest	**154 290**	73 478
FCTR attributable to non-controlling interest	**10 599**	(585)
Non-controlling interest arising on business combination[1]	**19 238**	130 409
Disposal of subsidiary	**-**	(4 837)
Acquisition of shares from non-controlling interest	**(96 678)**	(7 914)
Disposal of shares to non-controlling interest	**40 861**	-
Share buy-back from non-controlling shareholders of subsidiary	**(7 123)**	-
Rights offer by subsidiary	**11 058**	-
Dividends paid to non-controlling interest	**(52 421)**	(36 229)
Balance at end of year	**504 985**	425 161

[1] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Refer to note 45 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 35.

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:	2023 R'000	2022 R'000
Recognised over time:		
Contracting revenue[1]	**11 658 627**	9 208 734
Property rentals and development fees[2]	**15 400**	2 670
Plant hire revenue	**-**	41 537
Recognised at a point in time:		
Sale of ore	**1 359 851**	21 569
Commercial quarry aggregates and gypsum revenue	**998 933**	1 312 339
Bitumen and emulsion products	**682 264**	521 630
Asphalt supply revenue	**550 791**	400 857
Property sales[2]	**41 613**	68 615
Total revenue	**15 307 479**	11 577 951

1 *Included in contracting revenue for the year is a significant financing component to the value of R19.9 million related to the advance received on Zimborders in the 2021 financial year. The advance was fully utilised at the end of the current reporting period. Refer to note 17.*

2 *Revenue from property sales, property rentals and development fees has been restated in the prior year to better illustrate the amounts recognised over time (property rentals and development fees) and at a point in time (property sales). This has no impact on profit or loss, equity or statement of financial position.*

Disaggregation of revenue

Disaggregation of revenue by activity and segment[1]	Materials Handling & Mining R'000	Construction Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Consolidated R'000
For the year ended 28 February 2022					
Contracting revenue	1 114 360	40 557	4 576 198	3 477 619	9 208 734
Commercial quarry aggregates and gypsum revenue	433 359	878 980	-	-	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	1 611 100	1 842 024	4 576 198	3 548 629	11 577 951
For the year ended 28 February 2023					
Contracting revenue	**1 147 042**	**14 789**	**6 037 985**	**4 458 811**	**11 658 627**
Commercial quarry aggregates and gypsum revenue	**369 602**	**629 331**	**-**	**-**	**998 933**
Sale of ore	**1 359 851**	**-**	**-**	**-**	**1 359 851**
Bitumen and emulsion products	**-**	**682 264**	**-**	**-**	**682 264**
Asphalt supply revenue	**-**	**550 791**	**-**	**-**	**550 791**
Property sales, property rentals and development fees	**1 463**	**-**	**-**	**55 550**	**57 013**
Total revenue for the year	**2 877 958**	**1 877 175**	**6 037 985**	**4 514 361**	**15 307 479**

1 *The prior year disclosures have been restated to reflect the change in operating segments. Refer to note 3 for further details and the previously reported disclosures in this regard.*

Disaggregation of revenue by activity and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
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
For the year ended 28 February 2023				
Contracting revenue	**7 391 902**	**1 742 865**	**2 523 860**	**11 658 627**
Commercial quarry aggregates and gypsum revenue	**905 501**	**93 432**	**-**	**998 933**
Sale of ore	**1 359 851**	**-**	**-**	**1 359 851**
Bitumen and emulsion products	**533 287**	**148 977**	**-**	**682 264**
Asphalt supply revenue	**550 636**	**155**	**-**	**550 791**
Plant hire revenue	**-**	**-**	**-**	**-**
Property sales, property rentals and development fees	**57 013**	**-**	**-**	**57 013**
Total revenue for the year	**10 798 190**	**1 985 429**	**2 523 860**	**15 307 479**

Notes to the group financial statements (continued)

30. Revenue (continued)

Disaggregation of revenue (continued)

Disaggregation of revenue by customer sector and segment	Materials Handling & Mining R'000	Construction Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Consolidated R'000
For the year ended 28 February 2022					
Public sector	-	37 896	2 881 689	1 123 549	4 043 134
Private sector	1 611 100	1 804 128	1 694 509	2 425 080	7 534 817
Total revenue for the year	1 611 100	1 842 024	4 576 198	3 548 629	11 577 951
For the year ended 28 February 2023					
Public sector	**-**	**26 109**	**4 549 552**	**974 272**	**5 549 933**
Private sector	**2 877 958**	**1 851 066**	**1 488 433**	**3 540 089**	**9 757 546**
Total revenue for the year	**2 877 958**	**1 877 175**	**6 037 985**	**4 514 361**	**15 307 479**

Disaggregation of revenue by customer sector and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
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
For the year ended 28 February 2023				
Public sector	**4 653 052**	**82 732**	**814 149**	**5 549 933**
Private sector	**6 145 138**	**1 902 697**	**1 709 711**	**9 757 546**
Total revenue for the year	**10 798 190**	**1 985 429**	**2 523 860**	**15 307 479**

31. Other income

	2023 R'000	2022 R'000
Income received under finance leases	**268**	-
Insurance recoveries	**3 375**	6 785
Interest on accounts receivable	**7 992**	5 237
Seta recoveries	**2 185**	1 761
Total other income	**13 820**	13 783

32. Other gains/(losses)

	2023 R'000	2022 R'000
Profit on sale of property, plant and equipment	**10 103**	14 538
Gain/(loss) on exchange differences	**70 807**	6 095
Loss on disposal of subsidiary	**-**	(4 524)
Impairment of goodwill (note 13)	**(13 493)**	(3 400)
Impairment of mining right	**-**	(2 000)
Fair value adjustment on foreign exchange contracts - assets (note 20)	**(21 587)**	21 765
Fair value adjustment on foreign exchange contracts - liabilities (note 23)	**5 325**	(16 806)
Loss on early termination of leases	**(1 261)**	166
Loss on termination of finance lease (note 10 and 18)	**(12 013)**	-
Gain on fair value adjustments of contingent considerations (note 23)	**1 709**	15 294
Gain on fair value adjustment of preference shares (note 20)	**5 385**	4 859
Loss on cession arrangement	**(16 274)**	-
Bargain purchase on acquisition of subsidiary (note 6)	**8 790**	-
Provision for restructuring costs (note 22)	**(8 900)**	-
Total other gains/(losses)	**28 591**	35 987

Notes to the group financial statements (continued)

33. Expenses by nature

	2023 R'000	2022 R'000
Included in cost of sales		
Changes in inventories	**(291 830)**	171 615
Subcontractors	**4 525 154**	3 016 397
Raw materials and consumables	**4 040 178**	2 700 076
Employee benefit expense (note 38)	**2 647 128**	2 282 112
Depreciation and amortisation (note 10, 11, 12 and 13)	**609 049**	401 553
Short-term, low-value and variable lease payments (note 12)	**78 017**	67 655
Repairs and maintenance	**546 077**	628 631
Other operating expenses	**1 043 984**	717 528
Total cost of sales	**13 197 757**	9 985 567
Included in administrative expenses		
Employee benefit expense (note 38)	**579 758**	447 537
Depreciation and amortisation (note 10, 11, 12 and 13)	**40 145**	32 901
Short-term, low-value and variable lease payments (note 12)	**6 584**	5 393
Other operating expenses	**226 442**	186 871
Total administrative expenses	**852 929**	672 702
Total cost of sales	**13 197 757**	9 985 567
Total administrative expenses	**852 929**	672 702
Total cost of sales and administrative expenses	**14 050 686**	10 658 269

Operating segment disaggregation	Materials Handling and Mining R'000	Construction Materials R'000	Roads and earthworks R'000	Infrastructure R'000	Total R'000
For the year ended 28 February 2022					
Included in cost of sales					
Changes in inventories	(20 031)	(32 040)	103 924	119 762	171 615
Subcontractors	127 691	209 236	1 111 149	1 568 321	3 016 397
Raw materials and consumables	321 225	1 172 656	633 196	572 999	2 700 076
Employee benefit expense (note 38)	513 293	301 842	796 140	670 837	2 282 112
Depreciation and amortisation (note 10, 11, 12 and 13)	188 718	105 708	42 020	65 107	401 553
Short-term, low-value and variable lease payments (note 12)	9 972	9 637	43 068	4 978	67 655
Repairs and maintenance	361 527	159 201	91 333	16 570	628 631
Other operating expenses	83 150	164 448	277 679	192 251	717 528
Total cost of sales	1 585 545	2 090 688	3 098 509	3 210 825	9 985 567
Included in administrative expenses					
Employee benefit expense (note 38)	87 205	91 130	113 562	155 640	447 537
Depreciation and amortisation (note 10, 11, 12 and 13)	5 172	5 708	9 393	12 628	32 901
Short-term, low-value and variable lease payments (note 12)	186	3 071	1 842	294	5 393
Other operating expenses	39 776	45 740	57 694	43 661	186 871
Total administrative expenses	132 339	145 649	182 491	212 223	672 702
Inter segmental cost of sales	14 863	224 156	1 168 153	21 478	1 428 650
Inter segmental administrative expenses	44 427	44 245	4 473	46 093	139 238
For the year ended 28 February 2023					
Included in cost of sales					
Changes in inventories	**(7 262)**	**8 639**	**(331 980)**	**38 773**	**(291 830)**
Subcontractors	**803 444**	**213 245**	**1 304 186**	**2 204 279**	**4 525 154**
Raw materials and consumables	**366 485**	**1 619 242**	**1 212 630**	**841 821**	**4 040 178**
Employee benefit expense (note 38)	**556 475**	**331 132**	**1 019 268**	**740 253**	**2 647 128**
Depreciation and amortisation (note 10, 11, 12 and 13)	**383 843**	**114 245**	**46 874**	**64 087**	**609 049**
Short-term, low-value and variable lease payments (note 12)	**11 387**	**8 282**	**55 460**	**2 888**	**78 017**
Repairs and maintenance	**307 732**	**123 203**	**98 409**	**16 733**	**546 077**
Other operating expenses	**158 506**	**87 452**	**455 250**	**342 776**	**1 043 984**
Total cost of sales	**2 580 610**	**2 505 440**	**3 860 097**	**4 251 610**	**13 197 757**
Included in administrative expenses					
Employee benefit expense (note 38)	**160 719**	**101 053**	**136 957**	**181 029**	**579 758**
Depreciation and amortisation (note 10, 11, 12 and 13)	**7 114**	**6 417**	**20 589**	**6 025**	**40 145**
Short-term, low-value and variable lease payments (note 12)	**984**	**3 233**	**2 038**	**329**	**6 584**
Other operating expenses	**77 817**	**47 706**	**22 248**	**78 671**	**226 442**
Total administrative expenses	**246 634**	**158 409**	**181 832**	**266 054**	**852 929**
Inter segmental cost of sales	**7 038**	**199 647**	**1 687 730**	**47 108**	**1 941 523**
Inter segmental administrative expenses	**44 509**	**37 284**	**13 035**	**55 652**	**150 480**

Notes to the group financial statements (continued)

34. Net impairment losses on financial and contract assets

	2023 R'000	2022 R'000
Loss allowance movement on trade and other receivables (note 18)	**(59 492)**	(8 834)
Loss allowance on contract asset (note 17)	**(519)**	(35 889)
Bad debts written off during the year[1]	**(11 443)**	(30 434)
Bad debts recovered[2]	**48 389**	51 021
Net impairment losses on financial and contract assets	**(23 065)**	(24 136)

[1] *All receivables or contract assets written off are still subject to enforceability in line with the group policy as referenced to in note 8. The amounts written off also represent the contractual amounts.*

[2] *R47.3 million (2022: R33.1 million) of the bad debts recovered relates to recoveries made from the Zambian Roads Authority.*

35. 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:	2023 R'000	2022 R'000
Cash finance income		
Interest income on cash resources	**49 325**	39 913
Other interest	**12 818**	4 010
Non-cash finance income		
Accrued interest (note 20)	**19 076**	16 400
Total finance income	**81 219**	60 323
Finance costs:		
Cash finance costs		
Bank borrowings	**(75 011)**	(34 325)
Interest expense on lease liabilities (note 12)	**(33 104)**	(29 443)
Other interest	**(3 587)**	(1 481)
Non-cash finance costs		
Unwinding of discount - rehabilitation provision (note 22)	**(3 985)**	(2 622)
Unwinding of discount - voluntary rebuilding programme (note 23)	**(5 520)**	(6 301)
Significant financing component on advance payment	**(7 177)**	(10 235)
Total finance costs	**(128 384)**	(84 407)
Net finance costs	**(47 165)**	(24 084)

36. 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.

	2023 R'000	2022 R'000
South African normal taxation		
Current tax		
Current period	**111 065**	115 458
Adjustments for current tax of prior periods	**168**	870
Capital gains tax	**913**	2 576
Total South African normal taxation	**112 146**	118 904
Deferred tax		
Originating and reversing temporary differences	**3 141**	16 468
Change in tax rate	**(3 452)**	-
Total South African deferred taxation	**(311)**	16 468
Total South African taxation	**111 835**	135 372
Foreign taxation		
Current tax		
Current period	**250 608**	134 783
Adjustments for current tax of prior periods	**96**	3 297
Total foreign normal tax	**250 704**	138 080
Deferred tax		
Originating and reversing temporary differences	**746**	14 393
Change in tax rate	**43**	-
Total foreign deferred tax	**789**	14 393
Total foreign taxation	**251 493**	152 473
Total income tax expense	**363 327**	287 845

Reconciliation between applicable and effective tax rate:	2023 %	2022 %
Applicable tax rate[1]	**28.00**	28.00
Goodwill written off	**0.31**	0.10
Expenses attributable to exempt income	**0.07**	0.11
Capital gains tax - (loss)/gains	**(0.17)**	0.10
Tax losses not recognised as deferred tax assets	**0.37**	1.95
Impairment of loan accounts	**-**	0.24
Prior year over provision	**0.02**	0.46
Other	**(0.66)**	(0.67)
Disallowed charges - share options	**0.13**	0.53
Disallowed charges - VRP settlement agreement	**0.13**	0.19
Fair value adjustments of contingent considerations	**(0.04)**	(0.47)
Fair value adjustments on foreign exchange options	**0.37**	(0.15)
Remeasurement profit on acquisition of subsidiary[2]	**(0.12)**	(0.35)
Learnership allowances (s12H) and employment tax incentives	**(0.19)**	(0.30)
Change in tax rate[3]	**(0.28)**	(0.26)
Tax at rates in foreign countries	**1.47**	1.22
Withholding tax on dividends received	**0.32**	0.76
Effective tax rate	**29.73**	31.46

[1] *The tax rate reconciliation has been done using the statutory tax rate of Raubex Group Limited of 28% (2022: 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%).*

[2] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

[3] *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.*

36. Income tax expense (continued)

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

	2023			2022		
	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	**50 940**	**-**	**50 940**	(320)	-	(320)
Fair value gains on equity investments	**60 270**	**(1 730)**	**58 540**	23 740	(8 466)	15 274
Actuarial (loss)/gain on post-employment benefit obligations	**500**	**(86)**	**414**	(1 178)	352	(826)
Total other comprehensive income	**111 710**	**(1 816)**	**109 894**	22 242	(8 114)	14 128

37. Auditors' remuneration

	2023 R'000	2022 R'000
Fees	**16 965**	13 311
Prior year under/(over) provision	**1 272**	(569)
Tax and non-audit services	**138**	1 632
Total auditors remuneration	**18 375**	14 374

38. 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:

	2023 R'000	2022 R'000
Wages and salaries	**2 931 209**	2 452 086
Long-term incentive performance shares granted to employees (note 39)	**5 741**	17 248
Cash retention scheme accrual	**30 918**	33 452
Retrenchment and termination cost	**11 318**	6 557
Retirement fund contributions	**107 832**	96 960
Medical aid contributions	**56 719**	47 547
Other post-employment benefits	**(85)**	63
Other contributions and accruals	**83 234**	75 736
Total employee benefit expense	**3 226 886**	2 729 649

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.

39. 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, 2021 and 2022:
- 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)

39. Employee Long-term Incentive Scheme (continued)

LTI Scheme 2019, 2020, 2021 and 2022:

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:

39. 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[1]	-	-	-	194 574	421 854	421 854
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 19.85	R 22.97	R 19.24	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

Notes to the group financial statements (continued)

39. Employee Long-term Incentive Scheme (continued)

Arrangements (continued)	**g) LTI Scheme 2021 (ROICE)**	**h) LTI Scheme 2021 (TSR)**	**i) LTI Scheme 2022 (ROICE)**	**j) LTI Scheme 2022 (TSR)**
Nature of arrangement	Performance shares granted	Performance shares granted	Performance shares granted	Performance shares granted
Options approved	636 771.5	636 771.5	646 996	646 996
Number of options granted	636 771.5	636 771.5	646 996	646 996
Number of options outstanding	361 907.5	361 907.5	646 996	646 996
Exercise price	R nil	R nil	R nil	R nil
Date of grant	1 Aug 2021	1 Aug 2021	1 Aug 2022	1 Aug 2022
Share price at the date of grant	R 28.50	R 28.50	R 36.97	R 36.97
Contractual life	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
Performance period:	1 Mar 2021 to 28 Feb 2024	1 Mar 2021 to 28 Feb 2024	1 Mar 2022 to 28 Feb 2025	1 Mar 2022 to 28 Feb 2025
Employment period (1st 50%):	1 Aug 2021 to 31 Jul 2024	1 Aug 2021 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2025	1 Aug 2022 to 31 Jul 2025
Employment period (remaining 50%):	1 Aug 2021 to 31 Jul 2025	1 Aug 2021 to 31 Jul 2025	1 Aug 2022 to 31 Jul 2026	1 Aug 2022 to 31 Jul 2026
Settlement	Shares	Shares	Shares	Shares
Expected volatility	n/a	41.5%	n/a	45.4%
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
Risk free interest rate	4.95%	4.95%	7.80%	7.80%
Expected dividend yield	1.12%	1.12%	2.61%	2.61%
Expected departures (grant date)	5%	5%	5%	5%
Expected outcome of meeting performance criteria (grant date)	100%	100%	100%	100%
Fair value of options determined at the grant date	R 28.50	R 35.89	R 36.97	R 34.29
Valuation model	Spot rate at grant date	Monte - Carlo	Spot rate at grant date	Monte - Carlo

In the prior year, JT Jordaan appointed 4 November 2021 was also awarded performance shares on a pro rata basis based on the same terms as per g) and h) 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.

Notes to the group financial statements (continued)

39. Employee Long-term Incentive Scheme (continued)

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

28 February 2022			
	Number of	Weighted average remaining life (yrs.)	
LTI	shares ('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

28 February 2023			
	Number of	Weighted average remaining life (yrs.)	
LTI	shares ('000)	Expected	Contractual
a and b 1st 50%	**-**	-	-
a and b 2nd 50%[1]	**-**	-	-
c and d 1st 50%[1]	**-**	-	-
c and d 2nd 50%	**194 574**	0.4	0.4
e and f 1st 50%	**421 854**	0.4	0.4
e and f 2nd 50%	**421 854**	1.4	1.4
g and h 1st 50%	**361 908**	1.4	1.4
g and h 2nd 50%	**361 908**	2.4	2.4
i and j 1st 50%	**646 996**	2.4	2.4
i and j 2nd 50%	**646 996**	3.4	3.4

[1] *During the current year the 2nd 50% of the 2018 scheme and 1st 50% of the 2019 scheme vested to participants.*

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

	2023		2022	
	Number of shares	Exercise price	Number of shares	Exercise price
Outstanding at beginning of year	**4 611 111**	**R 0.00**	4 481 991	R 0.00
Performance shares granted	**1 293 992**	**R 0.00**	1 273 543	R 0.00
Performance shares forfeited	**(2 126 528)**	**R 0.00**	(740 187)	R 0.00
Performance shares vested	**(722 487)**	**R 0.00**	(404 237)	R 0.00
Outstanding at end of year	**3 056 088**	**R 0.00**	4 611 111	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:

Expense – equity settled arrangements	2023 R'000	2022 R'000
Employee long term incentive (note 38)	**5 741**	17 248
Total equity settled share based payment expense in profit and loss	**5 741**	17 248

Notes to the group financial statements (continued)

40. Cash generated from operations

	2023 R'000	Restated 2022 R'000
Profit before income tax	**1 221 961**	915 060
Adjustment for:		
Depreciation on property, plant and equipment (note 10)	**577 036**	375 392
Impairment on property, plant and equipment (note 10)	**3 300**	-
Depreciation on investment property (note 11)	**521**	27
Depreciation on right-of-use assets (note 12)	**53 081**	43 668
Amortisation (note 13)	**15 256**	15 367
Goodwill and mining right impairment (note 13)	**13 493**	5 400
Profit on sale of property, plant and equipment (note 32)	**(10 103)**	(14 538)
Finance income (note 35)	**(81 219)**	(60 323)
Finance costs (note 35)	**128 384**	84 407
Foreign exchange (gains)/losses - unrealised	**(13 628)**	(8 286)
Provisions (note 22)	**21 924**	20 553
Share of loss of equity accounted investments (note 14)	**7 013**	6 172
Performance shares granted to employees (note 39)	**5 741**	17 248
Loss/(Gain) on early termination of leases (note 32)	**1 261**	(166)
Loss on termination of finance lease (note 32)	**12 013**	-
Loss on disposal of subsidiary	**-**	4 524
IFRS 15 Significant financing component recognised in Revenue (note 30)	**(19 876)**	-
Gain on fair value adjustment of contingent considerations (note 23)	**(1 709)**	(15 294)
Gain on fair value adjustment of preference share (note 20)	**(5 385)**	(4 859)
Net gain on fair value adjustment of foreign exchange contract (note 32)	**16 262**	(4 959)
Bargain purchase on acquisition of subsidiary (note 6)	**(8 790)**	-
Changes in working capital		
Inventories	**(291 831)**	(281 027)
Trade and other receivables	**72 732**	(568 502)
Contract assets	**(154 561)**	(136 320)
Contract liabilities	**(331 023)**	271 237
Trade and other payables	**742 323**	150 309
Changes in other financial liabilities		
Voluntary rebuilding programme payment (note 23)	**(15 000)**	(15 000)
Net cash generated from operations	**1 959 176**	800 090

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

Net book amount (note 10)	**53 957**	156 810
Profit on disposal of property, plant and equipment (note 32)	**10 103**	14 538
Proceeds from disposal of property, plant and equipment	**64 060**	171 348

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

Balance due at beginning of the year	**55 998**	11 114
Current year tax charge - South African and Foreign (note 36)	**362 850**	256 984
Acquisition of subsidiary	**(1 279)**	286
Disposal of subsidiary	**-**	249
Balance payable at end of the year	**(99 011)**	(55 998)
Taxation paid	**318 558**	212 635

Notes to the group financial statements (continued)

40.1. 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 - Loans from related parties R'000[1]	Borrowings - Bank Borrowings R'000[1]
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*
Balance at 1 March 2022	**22 742**	**455 722**	**110 497**	**849 392**
Total repayments of financial liabilities	**-**	**(99 245)**	**(121 392)**	**(820 224)**
Interest accrued on financial liabilities	**-**	**33 104**	**-**	**75 011**
Capital repayments of financial liabilities	**-**	**(66 141)**	**(121 392)**	**(745 213)**
Proceeds from financial liabilities	**-**	**-**	**-**	**1 102 186**
Settlement of contingent consideration	**(12 282)**	**-**	**-**	**-**
Fair value adjustments	**(1 709)**	**-**	**-**	**-**
Acquisition of leases	**-**	**32 008**	**-**	**-**
Termination of leases	**-**	**(1 667)**	**-**	**-**
Lease modifications and reassessments	**-**	**(14 939)**	**-**	**-**
Foreign exchange differences	**652**	**223**	**13 475**	**5 517**
Balance at 28 February 2023	**9 403**	**405 206**	**2 580**	**1 211 882**
Note	*23*	*12*	*21*	*21*

[1] *The headings have been corrected from "Borrowings - Unsecured Loans "and "Borrowings - Bank Borrowings and loans from related parties" in the prior year to "Borrowings - Loans from related parties" and "Borrowings - Bank Borrowings". The prior year headings were incorrect in as "Borrowings - Unsecured Loans" actually represented loans from related parties and "Borrowings - Bank Borrowings and loans from related parties" only included Bank borrowings. The disclosures have been amended to correct for this. There is no impact on any of the amounts disclosed in the prior year.*

Notes to the group financial statements (continued)

41. Related parties

Relationships

Associates and joint ventures:	Refer to note 14
Lufhereng Development Company (Pty) Ltd	
Ndlu Housing (Pty) Ltd	
Voliere Development Company (Pty) Ltd	
Non-controlling shareholders of subsidiaries:	
Bapedi Nation	
Independent Family Trust	
Pelagic Resources (Pty) Ltd	
Pelagic Resources PTE Limited	
Royal Bafokeng Nation Development Trust	
MD Dikoko	
Companies and trusts controlled by directors/key management:	
Allow All Trade (Pty) Ltd	
Klaas en Ellie Beleggings (Pty) Ltd	
NFG Property Sales (Pty) Ltd	
RJ Fourie Boerdery	
Sunshine Enterprises (Pty) Ltd	
Ukumaka (Pty) Ltd	
Waalprop Commercial (Pty) Ltd	

Related party balances

	2023 R'000	2022 R'000
Amounts included in trade receivables regarding related parties		
Allow All Trade (Pty) Ltd	**6 014**	-
Lufhereng Development Company (Pty) Ltd	**21 314**	115 889
Ndlu Housing (Pty) Ltd	**11 731**	13 588
Pelagic Resources PTE Limited	**19 111**	-
RJ Fourie Boerdery	**3**	4
Voliere Development Company (Pty) Ltd	**167**	3 187
Receivables from related parties (refer to note 18)	**58 340**	132 668
Amounts included in trade payables regarding related parties		
Centremark Roadmarking (Pty) Ltd	**-**	968
Ndlu Housing (Pty) Ltd	**-**	6
Pelagic Resources PTE Limited	**53 932**	-
Payables due to related parties (refer to note 24)	**53 932**	974
Loans to related parties		
MD Dikoko	**187**	187
Jey Sivaliban	**168**	-
Sunshine Enterprises (Pty) Ltd	**14 380**	-
Ukumaka (Pty) Ltd	**1 178**	-
Loans to related parties (refer to note 18)	**15 913**	187

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

	2023 R'000	2022 R'000
Loans to entities controlled by key management:		
At beginning of year	**187**	187
Loans advanced during the year	**15 558**	-
At end of year	**15 745**	187
Loans to shareholders of subsidiaries:		
At beginning of year	**-**	-
Loans advanced during the year	**-**	-
At end of year	**-**	-
Total loans to related parties:		
At beginning of year	**187**	187
Loans advanced during the year	**15 558**	-
At end of year (refer to note 18)	**15 745**	187
Loans from related parties		
Included in trade payables (note 24):		
Royal Bafokeng Nation Development Trust	**100**	100
Included in borrowings (note 21):		
Bapedi Nation	**-**	10 094
Independent Family Trust	**2 580**	2 462
Pelagic Resources PTE Limited	**-**	97 941
Loans from related parties	**2 680**	110 597

41. Related parties (continued)

	2023 R'000	2022 R'000
Loans from entities controlled by key management:		
At beginning of year	**-**	2 986
Loan repayments made	**-**	(2 986)
At end of year	**-**	-
Loans from non-controlling shareholders of group entities:		
At beginning of year	**110 597**	-
Foreign exchange differences	**13 475**	
Loans received during the year	**-**	110 621
Loan repayments made	**(121 392)**	(24)
At end of year	**2 680**	110 597
Total loans from related parties:		
At beginning of year	**110 597**	2 986
Foreign exchange differences	**13 475**	-
Loans received during the year	**-**	110 621
Loan repayments made	**(121 392)**	(3 010)
At end of year (refer to note 21 and note 24)	**2 680**	110 597

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

Related party transactions

Sale of ore to / (from) related parties (note 30 and note 33)[1]	2023 R'000	2022 R'000
Pelagic Resources (Pty) Ltd	**741 503**	-
Pelagic Resources PTE Limited	**(14 793)**	-
	726 710	-

[1] Pelagic Resources is a global commodities marketing and sales agent. Sales of ore to/(from) Pelagic Resources are done at prevailing market rates. Invoicing is done per order with varying payment terms. Debtor balance is settled on average within 15 days. Payable balance is as a result of material purchased through Pelagic which is processed and beneficiated. Payments to Pelagic are done after purchased material is processed and sold on an offset basis with outstanding debtor invoices.

Subcontractors' fees received from / (paid to) related parties (note 30 and note 33)	2023 R'000	2022 R'000
Centremark Roadmarking (Pty) Ltd (while still an associate - refer to note 6)	**(3 296)**	(2 096)
Lufhereng Development Company (Pty) Ltd	**68 359**	223 271
Ndlu Housing (Pty) Ltd	**6 370**	7 030
	71 433	228 205
Rental of premises paid to related parties (note 33)		
NFG Property Sales (Pty) Ltd	**(522)**	(492)
Waalprop Commercial (Pty) Ltd	**(171)**	(161)
	(693)	(653)
Other fees received from/(paid to) related parties (note 33)		
RJ Fourie Boerdery - Payroll administration fee	**24**	105
Pelagic Resources (Pty) Ltd - Management fees	**(3 529)**	-
	(3 505)	105

All related transactions are at arm's length.

Related party transactions with directors and prescribed officers

Directors' emoluments

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]	-	1 116	6 764	2 919	112	346	11 257
SJ Odendaal[2]	-	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

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

[2] *Appointed as financial director effective 1 June 2021.*

Notes to the group financial statements (continued)

41. Related parties (continued)

Related party transactions with directors and prescribed officers (continued)

Directors emoluments (continued)

2023	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[1]	-	**1 753**	**15 106**	**11 089**	**171**	**736**	**28 855**
NF Msiza[2]	-	**3 672**	**6 454**	**3 926**	**390**	**154**	**14 596**
DC Lourens[3]	-	**2 235**	-	**5 494**	**244**	**261**	**8 234**
SJ Odendaal	-	**2 300**	**4 539**	-	**243**	**350**	**7 432**
Total emoluments	-	**9 960**	**26 099**	**20 509**	**1 048**	**1 501**	**59 117**
Non-executive							
F Kenney[4]	**521**	-	-	-	-	-	**521**
RJ Fourie[1]	**747**	-	-	-	-	-	**747**
LA Maxwell	**1 033**	-	-	-	-	-	**1 033**
BH Kent	**782**	-	-	-	-	-	**782**
SR Bogatsu	**838**	-	-	-	-	-	**838**
N Fubu[5]	**189**	-	-	-	-	-	**189**
Total emoluments	**4 110**	-	-	-	-	-	**4 110**

[1] *Resigned as Chief Executive Officer on 31 July 2022, appointed as Deputy Chairman of the Board effective 1 August 2022 and appointed Chairman of the Board effective 6 December 2022.*

[2] *Appointed as Chief Executive Officer effective 1 August 2022.*

[3] *Appointed as Chief Operating Officer effective 1 August 2022.*

[4] *Resigned as Chairman of the Board effective 5 August 2022.*

[5] *Appointed as Non - executive Director effective 6 December 2022.*

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[1]	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

[1] *Appointed effective 4 November 2021*

Prescribed officers emoluments 2023	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[1]	**1 147**	**11 072**	**8 166**	**125**	**582**	**21 092**
JT Jordaan[2]	**946**	**909**	-	**95**	**3 141**	**5 091**
RL Shedlock	**4 319**	**8 481**	**6 028**	**513**	**829**	**20 170**
DC Lourens[3]	**1 258**	**6 517**	-	**126**	**188**	**8 089**
AFS Kriek[4]	**1 898**	-	-	**204**	**297**	**2 399**
JG van der Bijl[4]	**2 130**	-	-	**229**	**275**	**2 634**
DW Rencken[4]	**2 053**	-	-	**221**	**253**	**2 527**
JA Louw	**2 058**	**4 452**	**2 685**	**218**	**337**	**9 750**
GM Chemaly	**1 701**	**1 127**	**857**	**190**	**53**	**3 928**
Total emoluments	**17 510**	**32 558**	**17 736**	**1 921**	**5 955**	**75 680**

[1] *Resigned effective 30 June 2022.*

[2] *Resigned effective 30 July 2022.*

[3] *Appointed as Chief Operating Officer effective 1 August 2022.*

[4] *Appointed effective 1 June 2022.*

41. Related parties (continued)
Related party transactions with directors and prescribed officers (continued)

Performance shares granted to directors and prescribed officers

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 39 to these group financial statements.

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[1]	136 571	-	(68 286)	(68 286)	-	R 0.00	220
SJ Odendaal[2]	-	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[3]	-	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
	4 481 991	1 273 543	(740 187)	(404 236)	4 611 111		17 248

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

2 *Appointed as financial director effective 1 June 2021.*

3 *Appointed effective 4 November 2021.*

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.

Performance shares 2023	Shares outstanding at 1 March 2022	Shares granted during the year	Shares forfeited during the year	Shares vested during the year	Shares outstanding at 28 February 2023	Strike price	IFRS 2 expense recognised during the year (R'000)
Executive directors							
RJ Fourie[1]	**1 144 001**	**-**	**(934 621)**	**(209 380)**	**-**	**R 0.00**	**(4 432)**
NF Msiza[2]	**476 517**	**212 276**	**(78 361)**	**(74 135)**	**536 297**	**R 0.00**	**2 458**
DC Lourens[3]	**713 452**	**205 521**	**(113 024)**	**(103 842)**	**702 107**	**R 0.00**	**3 133**
SJ Odendaal	**124 152**	**135 087**	**-**	**-**	**259 239**	**R 0.00**	**971**
Prescribed officers							
LJ Raubenheimer	**842 390**	**-**	**(688 193)**	**(154 198)**	**-**	**R 0.00**	**(3 263)**
JT Jordaan[4]	**114 566**	**-**	**(114 566)**	**-**	**-**	**R 0.00**	**(343)**
RL Shedlock	**738 163**	**171 250**	**(121 650)**	**(114 009)**	**673 753**	**R 0.00**	**3 017**
AFS Kriek[5]	**-**	**144 733**	**-**	**-**	**144 733**	**R 0.00**	**726**
JG van der Bijl[5]	**-**	**159 207**	**-**	**-**	**159 207**	**R 0.00**	**799**
DW Rencken[5]	**-**	**153 466**	**-**	**-**	**153 466**	**R 0.00**	**770**
JA Louw	**326 898**	**80 409**	**(53 758)**	**(50 745)**	**302 804**	**R 0.00**	**1 359**
GM Chemaly	**130 972**	**32 043**	**(22 355)**	**(16 178)**	**124 483**	**R 0.00**	**546**
	4 611 111	**1 293 992**	**(2 126 528)**	**(722 487)**	**3 056 088**		**5 741**

1 *Resigned as Chief Executive Officer on 31 July 2022, appointed as Deputy Chairman of the Board effective 1 August 2022 and appointed Chairman of the Board effective 6 December 2022.*

2 *Appointed as Chief Executive Officer effective 1 August 2022.*

3 *Appointed as Chief Operating Officer effective 1 August 2022.*

4 *Resigned effective 30 July 2022.*

5 *Appointed effective 1 June 2022*

41. Related parties (continued)
Related party transactions with directors and prescribed officers (continued)

The forfeited performance shares relates to 100% of the "LTI Scheme 2019 (ROICE)" granted on 1 August 2019, where the ROICE performance condition was not met and where individuals have resigned during the year and therefore not met the employment term condition. The performance shares that vested during the year relates to the 1st 50% of "LTI Scheme 2019 (TSR)" and the 2nd 50% of "LTI Scheme 2018 (TSR)". 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 2023.

	2023 Number of shares	2022 Number of shares
Beneficial - Direct and Indirect		
RJ Fourie	**1 692 302**	3 692 302
F Kenney[1]	**-**	4 065 384
NF Msiza	**20 000**	-
DC Lourens	**110 669**	-

[1] *Resigned as Chairman of the Board effective 5 August 2022.*

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

42. Directors', prescribed officers and key management emoluments

Executive	2023 R'000	2022 R'000
For services as directors of the company	**59 117**	37 570
For services as prescribed officers of the company	**75 680**	43 086
For services as key management	**112 480**	131 093

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 2022	65 448	21 536	24 119	7 527	12 463	131 093
Key management emoluments 2023	**64 479**	**21 683**	**5 741**	**7 740**	**12 837**	**112 480**

43. Commitments

Capital commitments

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

	2023 R'000	2022 R'000
Property, plant and equipment	**233 799**	7 501
Total capital commitments	**233 799**	7 501

44. Contingencies

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 835.5 million (2022: R3 432.8 million). The directors do not believe that any exposure to loss is likely. Total available facilities in this regard amount to R7 124.9 million (2022: R5 034.0 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)

45. Interest in subsidiaries

		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
				2023	2022	2023	2022	2023	2022
			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	153 000
Raubex Foreign Holdings (Pty) Ltd	H	South Africa	100	100	100	-	-	-	-
Indirect									
Attaclay (Pty) Ltd[1]	M	South Africa	1000	17.77	-	82.23	-	-	-
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[3]	C	Namibia	200	70	74	30	26	-	-
B&E International (Pty) Ltd	C	South Africa	1 000	100	100	-	-	473 844	473 844
B&E International Crushing (Pty) Ltd	C	Botswana	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 (Pty) Ltd[1]	M	South Africa	733 880 499	64.43	51.09	35.57	48.91	178 139	137 597
Bauba A Hlabirwa Mining Investments (Pty) Ltd[1]	M	South Africa	190	47.47	30.65	52.53	69.35	-	-
Belabela Asphalt (Pty) Ltd	A	Botswana	100	75	49	25	51	1	1
Belabela Quarries (Pty) Ltd	Q	Botswana	1 660 000	74	74	26	26	-	-
Canyon Rock (Pty) Ltd	Q	South Africa	120	74	74	26	26	46 294	46 294
Centremark Roadmarking (Pty) Ltd[1]	RM	South Africa	102	100	44.00	-	56.00	-	-
Cloetesdal Developments (Pty) Ltd	I	South Africa	100	60.68	60.68	39.32	39.32	-	-
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[1]	Q	South Africa	200	100	70	-	30	16 500	-
Donkerhoek Quartzite (Pty) Ltd	Q	South Africa	4 000	74	74	26	26	-	-
Dune Resources (Pty) Ltd[1]	H	South Africa	7800	100	-	-	-	24 396	-
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	-	-
Inzalo Crushing and Aggregates (Pty) Ltd	Q	South Africa	10 000	74	74	26	26	9	9

45. 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
				2023	2022	2023	2022	2023	2022
Indirect (continued)			Shares	%	%	%	%	R'000	R'000
Kalahari Asphalt and Paving (Pty) Ltd[2]	A	Botswana	100	100	-	-	-	-	-
Komani Quarry (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-
L&R Civil (Pty) Ltd[4]	I	South Africa	300	70	100	30	-	-	-
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[1]	G	South Africa	120	70	49	30	51	25 000	-
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[3]	C	Namibia	100	100	74	-	26	-	-
National Asphalt (Pty) Ltd	A	South Africa	100	100	100	-	-	-	-
Namli Exploration and Mining (Pty) Ltd[1]	M	South Africa	160	65	-	35	-	-	-
Ndarama Mineral Resources (Pty) Ltd[1]	M	South Africa	100	64.43	51.09	35.57	48.91	-	-
Nuco Chrome Bophuthatswana (Pty) Ltd[1]	M	South Africa	100	47.68	37.81	52.32	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
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	70	30	30	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 (Pty) Ltd - Swaziland[2]	R	Eswatini	1000	100	-	-	-	-	-
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 Facilities Management (Pty) Ltd	I	South Africa	100	82	82	18	18	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
Raubex Lesotho Construction (Pty) Ltd[2]	R	Lesotho	1000	100	-	-	-	-	-

Notes to the group financial statements (continued)

45. 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
				2023	2022	2023	2022	2023	2022
Indirect (continued)			Shares	%	%	%	%	R'000	R'000
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	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
Raudprop 1 (Pty) Ltd	P	South Africa	100	80	80	20	20	-	-
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	C	South Africa	100	100	100	-	-	111 336	111 336
SPH Kundalila Mining (Pty) Ltd	Q	South Africa	100	49	49	51	51	-	-
Thandisizwe Quarry (Pty) Ltd	Q	South Africa	100	70	70	30	30	-	-
Strata Civils (Pty) Ltd	I	South Africa	500	100	100	-	-	-	-
Stopetek Properties (Pty) Ltd[1]	H	South Africa	3800	34.3	-	65.7	-	18 000	-
Syiaka Specialised Services (Pty) Ltd	C	South Africa	100	49	49	51	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	-	-
Verlesha (Pty) Ltd	Q	South Africa	100	74	74	26	26	-	-
Westforce Construction (Pty) Ltd	I	Australia	4 000	80	80	20	20	88 011	88 944
Westforce Hire (Pty) Ltd	D	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	-	-

[1] Refer to note 6 for details regarding the movement of shares. Bauba A Hlabirwa Mining Investments (Pty) Ltd, Nuco Chrome Bophuthatswana (Pty) Ltd and Ndarama Mineral Resources (Pty) Ltd are part of the Bauba acquisition.
[2] New entity established during the year.
[3] During the year the group restructured the Namibian operations of B&E International.
[4] The group restructured L&R Civil during the year, L&R Civil is now 100% held by Empa Structures (Pty) Ltd.
100% owned dormant entities have not been disclosed in the table above.

Notes to the group financial statements (continued)

45. 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 Property rental company
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:

- Attaclay (Pty) Ltd
- Belabela Asphalt (Pty) Ltd
- Bauba A Hlabirwa Mining Investments (Pty) Ltd
- Forte Demolition Solutions (Pty) Ltd
- Forward Infra (Pty) Ltd
- Nuco Chrome Bophuthatswana (Pty) Ltd
- Raubex Construction Namibia (Pty) Ltd
- Roadmac Chip and Seal (Pty) Ltd
- Stopetek Properties (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 Burma Plant Hire and Mining (Pty) Ltd, no other group entities were deregistered during the year.

Name changes during the year:
Turnkey Real Estate Company (Pty) Ltd changed its name to Raubex Facilities Management (Pty) Ltd.
Pietermaritzburg Quarry (Pty) Ltd changed its name to Thandisizwe Quarry (Pty) Ltd.

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.

Notes to the group financial statements (continued)

45. Interest in subsidiaries (continued)

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.

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

	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
At 28 February 2022					
Aggregate of all subsidiaries with non-controlling interests in the group[1]	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 2023					
Aggregate of all subsidiaries with non-controlling interests in the group[1]	**528 899**	**(52 421)**	**5 890 125**	**4 093 950**	**26 783**
Total	**528 899**	**(52 421)**	**5 890 125**	**4 093 950**	**26 783**

	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[2] R'000	Disposal, acquisition and other changes 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
At 28 February 2022						
Aggregate of all subsidiaries with non-controlling interests in the group[1]	270 839	72 893	130 408	(12 750)	(36 229)	425 161
Total	270 839	72 893	130 408	(12 750)	(36 229)	425 161
At 28 February 2023						
Aggregate of all subsidiaries with non-controlling interests in the group[1]	**425 161**	**164 889**	**19 238**	**(51 882)**	**(52 421)**	**504 985**
Total	**425 161**	**164 889**	**19 238**	**(51 882)**	**(52 421)**	**504 985**

[1] *Refer to the table at the beginning of note 45 for the full list of subsidiaries with non-controlling interest in the group. None of these individual subsidiaries are material to the group.*

[2] *Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer note 6 for further details.*

Notes to the group financial statements (continued)

46. 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 2023 (%)	Interest held 2022 (%)
Centstra Joint Operation	South Africa	Road construction	100%	100%
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	50%	80%
Raubex / Enza / RB Joint Operation	South Africa	Road construction	40%	40%
Raubex / Esor Joint Operation	Eswatini	Road construction	50%	-
Raubex / Moloto Joint Operation	South Africa	Road Construction	80%	80%
Raubex / Nodoli Joint Operation	South Africa	Infrastructure	50%	50%
Raubex / Roadmac Joint Operation	South Africa	Road Construction	100%	100%
Raubex / Umso Joint Operation	South Africa	Road Construction	60%	60%
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%
Senqu Bridge Joint Operation	Lesotho	Road Construction	25%	-
Vasse Joint Operation	Australia	Infrastructure	67%	67%
Vharanani / Raubex Joint Operation	South Africa	Road surfacing	49%	49%

FINANCIAL INFORMATION: **Statement of financial position** *(Recognised in proportion to interest in assets and liabilities)*	**2023** **R'000**	**2022** **R'000**
Assets		
Current assets	**209 707**	186 944
Non - current assets	**2 269**	1 992
Total Assets	**211 976**	188 936
Equity and liabilities		
Equity	**386**	-
Current liabilities	**211 126**	187 683
Non - current liabilities	**464**	1 253
Total equity and liabilities	**211 976**	188 936

Statement of profit or loss *(Recognised in proportion to interest in assets and liabilities)*

	2023	2022
Revenue	**420 428**	578 203
Profit attributable to group	**10 325**	25 488

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.

47. Events after the reporting period

The directors are not aware of any 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.

Notes to the group financial statements (continued)

48. 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.

49. 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 2023.

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.

Number	**Effective date**
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022.
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022.
Amendment to IFRS 3, 'Business combinations'	Annual periods beginning on or after 1 January 2022.
Annual improvements 2018-2020	**Effective date**
IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual periods beginning on or after 1 January 2022.

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 2023 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.

Number	**Effective date**
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023.
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023.
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023.

Holding company statement of financial position

	Note	2023 R'000	2022 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	4.1	2 339 442	2 333 701
Loans to group companies	4.2	-	139 532
Total non-current assets		2 339 442	2 473 233
Current assets			
Loans to group companies	4.2	250 049	-
Cash and cash equivalents	5	435	33
Total current assets		250 484	33
Total assets		2 589 926	2 473 266
EQUITY			
Ordinary shares	6	1 817	1 817
Share premium	6	2 059 776	2 059 776
Reserves		49 738	43 997
Retained income		336 960	329 569
Total equity		2 448 291	2 435 159
LIABILITIES			
Current liabilities			
Loans from group companies	4.2	140 728	37 294
Trade and other payables	7	907	813
Total current liabilities		141 635	38 107
Total liabilities		141 635	38 107
Total equity and liabilities		2 589 926	2 473 266

Holding company statement of comprehensive income

	Note	2023 R'000	2022 R'000
Revenue	8	203 552	137 955
Other gains/(losses) - net	9	-	(4 517)
Administrative expenses		(1 726)	(2 851)
Operating profit		201 826	130 587
Finance income	10	53	2
Profit before income tax		201 879	130 589
Income tax expense	11	(15)	-
Profit for the year		201 864	130 589
Other comprehensive income		-	-
Total comprehensive income for the year		201 864	130 589

The notes on pages 110 to 119 are an integral part of these financial statements.

Holding company statement of changes in equity

	Share capital R'000	Share premium R'000	Reserves for own shares/ share repurchase reserve R'000	Retained earnings R'000	Total equity R'000
Balance at 1 March 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
Changes in equity:					
Share option reserve (note 4.1)	**-**	**-**	**5 741**	**-**	**5 741**
Total comprehensive income for the year	**-**	**-**	**-**	**201 864**	**201 864**
Dividends paid	**-**	**-**	**-**	**(194 473)**	**(194 473)**
Total changes	**-**	**-**	**5 741**	**7 391**	**13 132**
Balance at 28 February 2023	**1 817**	**2 059 776**	**49 738**	**336 960**	**2 448 291**
Note	**6**	**6**			

Holding company statement of cash flows

	Note	2023 R'000	2022 R'000
Cash flow from operating activities			
Cash used in operations	**12**	**(1 632)**	(2 256)
Dividends received	**8**	**203 552**	137 955
Interest received	**10**	**53**	2
Taxation paid	**12**	**(15)**	-
Net cash generated from operating activities		**201 958**	135 701
Cash flows from investing activities			
Acquisition of subsidiaries		**-**	(77 873)
Loans to group companies advanced		**(2 264 483)**	(698 849)
Loans to group companies repaid		**2 153 966**	741 881
Net cash used in investing activities		**(110 517)**	(34 841)
Cash flows from financing activities			
Dividends paid		**(194 473)**	(138 130)
Loans from group companies advanced		**681 382**	520 533
Loans from group companies repaid		**(577 948)**	(483 239)
Net cash used in financing activities		**(91 039)**	(100 836)
Net increase in cash and cash equivalents		**402**	24
Cash and cash equivalents at the beginning of the year		**33**	9
Cash and cash equivalents at the end of the year	**5**	**435**	33

The notes on pages 110 to 119 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, 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.

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. The company has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used, therefore the estimated credit losses are immaterial.

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 2022 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 after consideration was given to the liquidity, forecasts and order books of the underlying group companies. The company applies the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets/investments in subsidiaries 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. Furthermore, there have been no issues with repayments and no history of default exists on these financial assets.

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. This is therefore not revenue in terms of IFRS 15.

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.

Number	**Effective date**
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022.
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022.
Amendment to IFRS 3, 'Business combinations'	Annual periods beginning on or after 1 January 2022.
Annual improvements 2018-2020	**Effective date**
IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual periods beginning on or after 1 January 2022.

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.

Number	**Effective date**
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023.
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023.
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023.

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 2022		**R'000**	**R'000**	**R'000**
Loans to group companies	4.2	139 532	-	139 532
Cash and cash equivalents	5	33	-	33
Loans from group companies	4.2	-	(37 294)	(37 294)
Trade and other payables	7	-	(813)	(813)
Total		139 565	(38 107)	101 458
At 28 February 2023				
Loans to group companies	4.2	**250 049**	**-**	**250 049**
Cash and cash equivalents	5	**435**	**-**	**435**
Loans from group companies	4.2	**-**	**(140 728)**	**(140 728)**
Trade and other payables	7	**-**	**(907)**	**(907)**
Total		**250 484**	**(141 635)**	**108 849**

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:

	2023		2022	
	1%	**-1%**	1%	-1%
	R'000	**R'000**	R'000	R'000
Cash and cash equivalents	**3**	**(3)**	-	-
Increase/(decrease) in profitability	**3**	**(3)**	-	-

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, therefore the estimated credit losses are immaterial. Refer to credit ratings of cash and cash equivalents below.

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.

		2023	2022
Concentration of credit risk	Rating	**R'000**	R'000
Cash and cash equivalents	BB	**435**	33
Total cash and cash equivalents (refer to note 5)		**435**	33

Credit risk is represented by the going concern values of the cash and cash equivalents that are carried on the statement of financial position at a value of R0.44 million (2022: R0.03 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:

Year ended 28 February 2022	**Carrying amount R'000**	**Contractual cash flows R'000**	**Within 1 year R'000**	**2 to 5 years 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	-

Year ended 28 February 2023	**Carrying amount R'000**	**Contractual cash flows R'000**	**Within 1 year R'000**	**2 to 5 years R'000**
Non-derivative financial liabilities				
Loans from group companies	**140 728**	**140 728**	**140 728**	**-**
Trade and other payables	**907**	**907**	**907**	**-**
Total	**141 635**	**141 635**	**141 635**	**-**

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:

	2023	2022
	R'000	R'000
Cash and cash equivalents (refer note 5)	**(435)**	(33)
Loans from group companies (refer note 4.2)	**140 728**	37 294
Net debt	**140 293**	37 261
Total equity	**2 448 291**	2 435 159
Total capital and net debt	**2 588 584**	2 472 420
Gearing ratio	**5.42%**	1.51%

Holding company notes to the financial statements (continued)

4.1 Investment in subsidiaries

	2023 R'000	2022 R'000
Name of company		
Direct investment at cost*		
Raubex (Pty) Ltd	**2 018 163**	2 018 163
Raubex FIC (Pty) Ltd	**153 000**	153 000
Total direct investment in subsidiaries	**2 171 163**	2 171 163
Indirect investment on issue of share options to employees of subsidiaries		
B&E International (Pty) Ltd	**13 940**	13 940
National Asphalt (Pty) Ltd	**10 496**	10 496
Raubex (Pty) Ltd	**124 315**	118 574
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	**168 279**	162 538
Total investment in subsidiaries	**2 339 442**	2 333 701

** 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 prior 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 9. 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 39 to the group financial statements.

4.2 Loans to/(from) group companies

	2023 R'000	2022 R'000
Raubex (Pty) Ltd	**(140 728)**	108 539
Raubex FIC (Pty) Ltd	**250 049**	(37 294)
Raumix Aggregates (Pty) Ltd	**-**	30 993
Total loans to/(from) group companies	**109 321**	102 238
Non-current assets	**-**	139 532
Current assets	**250 049**	-
Current liabilities	**(140 728)**	(37 294)
Total loans to/(from) group companies	**109 321**	102 238

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 2023 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 were classified as non-current assets in the prior year as settlement was 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. Cash and cash equivalents

	2023 R'000	2022 R'000
Cash and cash equivalents consist of:		
Bank balance	**435**	33
Total cash and cash equivalents	**435**	33

6. Share capital and share premium

	Number of shares	Ordinary shares R'000	Share premium R'000	Total R'000
At 1 March 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
At 28 February 2023	**181 750**	**1 817**	**2 059 776**	**2 061 593**

The total authorised number of ordinary shares is 500 million shares (2022: 500 million) with a par value of 1 cent per share (2022: 1 cent per share). All issued shares are fully paid.

7. Trade and other payables

	2023 R'000	2022 R'000
Trade payables	**464**	439
Accrued expenses	**443**	374
Total trade and other payables	**907**	813

8. Revenue

	2023 R'000	2022 R'000
Dividends received from subsidiaries	**203 552**	137 955
Total revenue	**203 552**	137 955

9. Other gains/(losses)

	2023 R'000	2022 R'000
Impairment of investments in subsidiaries (note 4)	**-**	(4 517)
Total other gain/(losses)	**-**	(4 517)

10. Finance income and costs

Interest is recognised, in profit or loss, using the effective interest rate method.

	2023 R'000	2022 R'000
Finance income:		
Interest income on cash resources	**53**	2
Total finance income	**53**	2
Net finance income	**53**	2

Holding company notes to the financial statements (continued)

11. Income tax expense

	2023 R'000	2022 R'000
South African normal taxation		
Current tax		
Current period	**15**	-
Total South African normal taxation	**15**	-

Reconciliation between applicable tax rate and effective tax rate:

	%	%
Applicable tax rate	28.00	28.00
Exempt income - dividends received	(28.23)	(29.58)
Disallowed charges - loss on impairment of investments	-	0.97
Disallowed charges - other	0.24	0.61
Effective tax rate	0.01	0.00

12. Cash used in operations

	2023 R'000	2022 R'000
Profit before income tax	**201 879**	130 589
Adjustments for:		
Other gains	**-**	4 517
Interest received	**(53)**	(2)
Dividends received	**(203 552)**	(137 955)
Changes in working capital		
Trade and other receivables	**-**	223
Trade and other payables	**94**	372
Net cash used in operations	**(1 632)**	(2 256)

	2023 R'000	2022 R'000
In the cash flow statement taxation paid is calculated as follows:		
Balance payable/(receivable) at beginning of year	**-**	-
Add: current year tax charge (note 11)	**15**	-
Add: balance receivable/(payable) at end of the year	**-**	-
Net tax paid/(received)	**15**	-

13. Related parties

Relationship

Subsidiaries	Refer to note 45 of the group financial statements

Related party balances

Loans to related parties (note 4.2)

	2023 R'000	2022 R'000
Raubex FIC (Pty) Ltd		
At beginning of year	**-**	**46 349**
Loans advanced during the year	**1 209 684**	**-**
Loan repayments received	**(959 635)**	**(46 349)**
At year end	**250 049**	**-**
Raubex (Pty) Ltd		
At beginning of year	**108 539**	105 222
Loans advanced during the year	**1 054 799**	612 011
Loan repayments received	**(1 163 338)**	(608 693)
At year end	-	108 540
Raumix Aggregates (Pty) Ltd		
At beginning of year	**30 993**	**30 993**
Loans advanced during the year	**-**	**-**
Loan repayments received	**(30 993)**	**-**
At year end	-	**30 993**
Total Loans to related parties		
At beginning of year	**139 532**	182 564
Loans advanced during the year	**2 264 483**	612 010
Loan repayments received	**(2 153 966)**	(655 042)
At year end	**250 049**	139 532

Holding company notes to the financial statements (continued)

13. Related parties (contiuned)

	2023	2022
Loans from related parties (note 4.2)	**R'000**	R'000
Raubex FIC (Pty) Ltd		
At beginning of year	**(37 294)**	-
Loans advanced during the year	**(100)**	(491 136)
Loan repayments made	**37 394**	453 842
At year end	**-**	**(37 294)**
Raubex Foreign Holdings (Pty) Ltd		
At beginning of year	**-**	-
Loans advanced during the year	**(244 372)**	121 236
Loan repayments made	**244 372**	(121 236)
At year end	**-**	-
Raubex (Pty) Ltd		
At beginning of year	**-**	-
Loans advanced during the year	**(436 910)**	-
Loan repayments made	**296 182**	-
At year end	**(140 728)**	-
Total Loans from related parties		
At beginning of year	**(37 294)**	-
Loans advanced during the year	**(681 382)**	(612 372)
Loan repayments made	**577 948**	575 078
At year end	**(140 728)**	(37 294)
Other fees paid to related parties		
Raubex (Pty) Ltd	**4**	3

14. Directors' emoluments

Refer to note 41 of the group financial statements where the directors' emoluments have been disclosed.

15. Events after the reporting period

Refer to note 47 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.