Consolidated and separate audited annual financial statements

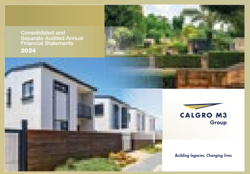
2024

CALGRO M3
Group

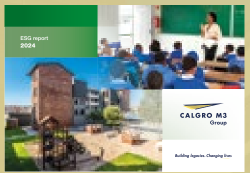
Building legacies. Changing lives

Our integrated annual report suite 2024

Integrated annual report and notice of annual general meeting



Consolidated and separate audited annual financial statements



ESG report
(including our approach to governance and King IV™ Application Register)

Navigation toolkit

Website reference | Notes reference | Page reference

(All amounts stated in Rand, unless otherwise stated)

Contents

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

Directors' responsibilities and approval	1
Certification by the company secretary	2
Chief Executive Officer (CEO) and Financial Director (FD) responsibility statement	2
Report of the audit and risk committee	3
Directors' report	7
Independent auditor's report	12
Consolidated statement of financial position	16
Consolidated statement of comprehensive income	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated and separate audited annual financial statements	18
Company financial statements	72
General information	85

Directors’ responsibilities and approval

The Directors are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the Group financial statements, as per the index page, of Calgro M3 Holdings Limited (consolidated and company), comprising its subsidiaries and joint ventures (“the Group”).

The financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008.

The Directors consider that having applied IFRS in preparing the Group financial statements they have selected the most appropriate accounting policies, supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been followed.

The Directors are satisfied that the information contained in the Group financial statements fairly presents the results of operations for the year and the financial position of the Group at year-end.

The Directors prepared the other information included in the Group financial statements and are responsible for both its accuracy and its consistency.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors 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 Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Group and Company’s Audit and Risk Committee plays an integral role in risk management as well as overseeing the Group and Company’s integrated reporting.

The Code of Corporate Practices and Conduct has been integrated into the Group and Company’s strategies and operations.

The Directors are responsible for the controls over, and the security of, the website and where applicable, for establishing and controlling the process for electronically distributing Annual Financial Statements and other financial information to shareholders and to the Companies and Intellectual Property Commission.

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

The Directors have reviewed the Group and Company’s cash flow forecast for the year ended 28 February 2025 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group and Company’s annual financial statements. The consolidated and separate financial statements have been examined by the Group and Company’s external auditor and their report is presented on pages 12 to 15.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The Board of Directors believes that all representations made to the independent auditor during their audit are valid and appropriate.

The consolidated and separate financial statements set out on pages 16 to 71 and pages 72 to 84, which have been prepared on the going concern basis, were approved by the Board of Directors on 13 May 2024 and signed on its behalf by:

SU Naicker **WJ Lategan**

Certification by the company secretary

I, Sirkien van Schalkwyk, hereby confirm, in my capacity as Company Secretary of Calgro M3 Holdings Limited, that for the year ended 29 February 2024, the Company has filed all required returns and notices in terms of the Companies Act 71 of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Juba Statutory Services (Pty) Ltd (represented by Sirkien van Schalkwyk)
Company Secretary

13 May 2024

Chief Executive Officer (CEO) and Financial Director (FD) responsibility statement

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

(a) the annual financial statements set out on pages 16 to 71 and pages 72 to 84, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, 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;

(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 as Executive Directors with the primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) We are not aware of any fraud involving Directors.

SU Naicker
Financial Director

13 May 2024

WJ Lategan
Chief Executive Officer

13 May 2024

Report of the audit and risk committee

Introduction

I am pleased to present the Audit and Risk Committee ("the Committee") report in terms of section 94(7(f) of the Companies Act and as recommended by King IV, for the year under review. The Committee is constituted as a Statutory Committee of the Company in terms of section 94 of the Companies Act 71 of 2008, as amended ("the Act"), and a committee of the Board in terms of all other duties assigned to it by the Board.

In line with King IV, the Committee plays an essential role in providing independent oversight on the effectiveness of assurance functions and services, as well as the integrity of the annual financial statements. The Committee's terms of reference are formalised in a charter approved by the Board. In addition to performing this function for Calgro M3 Holdings Limited, the Audit and Risk Committee also accepted and performed the role for all the Group's subsidiaries and joint ventures.

The Committee's primary role is assisting the Board in discharging its duties relating to the safeguarding of assets, operation of adequate systems and control processes.

This includes the review of the principles, policies and practices adopted in the preparation of financial statements of the Company and its subsidiaries, along with ensuring that the interim and annual financial statements of the Company and any other formal announcements relating to the Company's financial performance comply with all statutory and stock exchange requirements.

The Committee shall also review the work of the Group's external auditors to ensure the adequacy and effectiveness of the Group's financial, operating, compliance and risk management controls.

The Committee shall provide a forum for discussing business risk, corporate governance and control issues and review the management of risk and the monitoring of the effectiveness of governance compliance within the Group.

Composition of the Audit and Risk Committee

The Committee consists of three independent Non-Executive Directors listed below and meets at least four times per annum. All members are independent as prescribed in section 94 of the Act.

The Board determined that the Committee members have appropriate and adequate skills and experience to contribute meaningfully to deliberations and to fulfil their responsibilities. In addition, the Committee Chairman, GS Hauptfleisch, has the requisite experience in accounting, financial management and auditing (a qualified Chartered Accountant).

The Chief Executive Officer and Finance Director are permanent invitees. The Company Secretary is the statutory secretary of the Committee.

The Group's internal and external auditor, in their capacity as assurance providers also attend all Committee meetings by invitation.

Only the official members of the Committee are allowed to exercise their respective voting rights in decision-making exercises as prescribed in the charter.

Name of Committee member	Qualifications	Years served on Committee
GS Hauptfleisch	CA(SA)	6 years
ME Gama	PhD (Finance)	12 years
RB Patmore	BCom, MBL (SBL)	13 years

Annually a session aligned with approval of annual financial results are held with both the independent external auditor and internal auditor, respectively, where management is not present, to facilitate an exchange of views and concerns to further strengthen the independent oversight by the Committee.

Meetings

Four quarterly meetings were held in the 2024 financial year. Attendance of 100% throughout the year illustrates high levels of engagement by our Committee members.

The external and internal auditor, in their capacity as auditor to the Group, attended and reported as needed at the meetings of the Committee.

The Group risk management function, which is performed by Executive Directors, was also represented. Relevant senior managers attended meetings by invitation.

Committee attendance register

Member name	5 May 2023	14 July 2023	6 October 2023	9 February 2024
GS Hauptfleisch	✓	✓	✓	✓
ME Gama	✓	✓	✓	✓
RB Patmore	✓	✓	✓	✓
By invitation				
WJ Lategan	#	#	#	#
BAR Knott	#	#	#	#
SU Naicker	#	#	#	#
TC Moodley	#	#	#	#
TP Baloyi	#	#	#	#
S van Schalkwyk*	*	*	*	*
Auditor				
Mazars	#	#	#	#
Internal audit				
Prozilog	#	#	#	#

✓ *Indicates attendance.*
Indicates attendance by invitation.
* *Indicates attendance as Company Secretary.*

Fulfilment of the Committee's mandate

The role of the Committee is to fulfil the statutory duties as set out in section 94(7) of the Act and to assist the Board in providing independent oversight of the following:

In terms of the Act, the Committee has an independent role with accountability to both the Board and Calgro's shareholders. It does not assume the functions of management, which remain the responsibility of the Executive Directors, prescribed officers and other members of senior management, nor does it assume accountability for functions performed by other committees of the Board.

The Committee has adopted comprehensive and formal terms of reference which have been approved by the Board and are reviewed on an annual basis.

The Committee has discharged all its responsibilities as contained in these terms of reference, including but not limited to reviewing accounting policies and ensuring that financial information issued to stakeholders is prepared in alignment with relevant legislation and best practice.

The main functions performed by the Committee during the year under review were as follows:

- monitored the proper operation of adequate and effective systems of internal controls, including receiving and reviewing reports from both internal and external auditor concerning the effectiveness of the internal control environment;
- considered and satisfied itself that no significant weaknesses in the design, implementation or execution of the internal financial controls were identified;
- considered and satisfied itself on the appropriateness of accounting policies and critical judgements, accounting estimates and assumptions;
- satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor and internal auditor, that the system of internal financial controls of all the companies included in the Consolidated and Separate Audited Annual Financial Statements, is effective and forms a basis for the preparation of reliable financial statements;
- ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the consolidated group financial statements as contemplated in paragraphs 3.84(g)(ii) of the JSE Listings Requirements and 7.3(e)(ii) of the Debt Listings Requirements;
- monitored the reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards, and recommended, for adoption by the Board, the financial information that is publicly disclosed, which for the year included:
  - the interim results for the six months ended 31 August 2023;
  - the annual results for the year ended 29 February 2024;
  - the related SENS and press announcements for both interim and year-end;
- confirmed the going concern basis of preparation of the interim and annual financial statements;
- considered the JSE's proactive monitoring of financial statements report, as issued in 2023, and the applicability of the issues raised, with the view to improving disclosure where applicable;
- reviewed and recommended for approval by the Board the integrated report, including the disclosure of sustainability matters;
- reviewed the qualifications, experience and expertise of the Group Finance Director, SU Naicker, and satisfied itself that her expertise and experience is appropriate to meet the responsibilities of the position;
- the Committee also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources and experience of the Group's finance function;
- considered the qualification and independence of the external auditor;
- assessed the scope and effectiveness of the external audit function;
- reviewed the effectiveness of the Company's internal controls and internal audit function;
- performed the functions required in terms of section 94(2) of the Companies Act on behalf of the Group's subsidiary companies.

The Committee has resolved to undertake a self-assessment every second year, with the last assessment undertaken in February 2024. No significant areas of concern were identified.

Risk functions

The Board of Directors has assigned oversight of the Group's risk management function to the Committee. The Committee fulfils an oversight function regarding risks in the areas of operations, finance, reporting, fraud, information technology and ethics.

Based on the ongoing oversight of the Committee, it can be concluded that nothing came to the attention of the Committee and the Board that would suggest that the prevailing system of risk management is not, in all material aspects, effective.

Risks are continually being identified and mitigated in terms of a process that involves allocating responsibility, developing action plans and monitoring compliance with these action plans.

During the year under review, the Committee discharged all of its duties in respect of risk management.

Internal audit and internal controls

The 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 responsibilities effectively. The Committee oversees cooperation between the internal and external auditor and serves as a link between the Board of Directors and these functions.

The internal audit function reports to the Committee and is responsible for reviewing and providing assurance on the adequacy of the internal control environments across all of the significant areas of the Group's operations. Prozilog is responsible for reporting the progress and findings of internal audits as conducted in terms of the Group's approved audit plan, to the Committee.

The Committee has considered and approved the internal audit terms of reference.

The Committee:

- reviewed the internal audit charter in line with King IV recommendations and recommended the approval thereof to the Board;
- approved the risk-based internal audit plan for the 2024 financial year and subsequent changes thereto during the year;
- considered the effectiveness and performance of the internal audit function which was found to be satisfactory for the year under review;
- reviewed and evaluated reports relating to internal audit and risk management and the adequacy of management's responses and corrective actions;
- reviewed arrangements made by the Company to enable employees and outside whistle blowers to report any concerns about possible improprieties and received reports on the issues raised; and
- reviewed internal audit's assessment of the internal control environment.

External auditor

The Group's independent external auditor is Mazars.

The Committee:

- oversaw the reappointment process and recommended Mazars to the Board as the Company's external auditor;
- approved the auditor's terms of engagement and fees;
- reviewed and approved the external audit plan and ensured no limitations were imposed on the scope of external audit;
- reviewed the external auditor's report and confirmed that no material unresolved issues existed between the Group and the external auditor;
- reviewed the key audit matters identified by Mazars that are set out in its report;
- reviewed the suitability of the external audit firm and audit partner, in line with the requirements of paragraph 22.15(h) of the JSE Listings Requirements, by obtaining all decision letters and/or explanations issued by IRBA and any additional communication relating to monitoring procedures and deficiencies issued relating to the firm and/or the audit partner, these were assessed to be satisfactory;
- satisfied itself that the external auditor is independent of Calgro M3 Holdings Limited, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- confirmed that Mazars' independence was not impaired and received assurance that its internal governance processes support and demonstrate its claim to independence;
- the Committee has further established a procedure for the approval of any non-audit services and the pre-approval of any proposed contract with the auditor in this regard and has satisfied itself with the level and extent of non-audit services rendered during the year by Mazars and that these did not affect its independence; and
- confirmed that no reportable irregularities had been identified or reported by the external auditor under the Auditing Profession Act.

Statements

External auditor

The Committee has satisfied itself that both Mazars and Mr Miles Fisher are accredited in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements and paragraph 7.3(e)(iii) of the Debt Listings Requirements and will not recommend the election of a new external auditor or audit partner before satisfying itself that both such external auditor and the designated partner are accredited in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements.

Statement on effectiveness of internal financial controls

The Committee had oversight over a process by which internal audit performed an assessment of the effectiveness of the Group's system of internal financial controls.

This assessment conducted by internal audit and with management's close monitoring of controls formed the basis for the Committee's assessment of internal financial controls.

Nothing came to the attention of the Committee and the Board, based on the assessments performed by internal audit and management, that would suggest that the prevailing system of internal financial controls are not, in all material aspects, effective.

Integrated annual report

In fulfilling its oversight responsibilities, the Committee has reviewed the sustainability information that forms part of the Group's Integrated Annual Report and has assessed its consistency with operational and other information known to the Committee members, as well as its consistency with the Group's annual financial statements.

The Committee is satisfied that the above is consistent with the Group's financial results, and as such has recommended that this be approved by the Board of Directors.

Regulatory compliance

The Group complied with all relevant laws and regulations and considers adherence to non-binding rules, codes and standards. Compliance forms an integral part of the Company's risk management process.

Going concern

The Committee has reviewed a documented assessment, including key assumptions, prepared by management on the going concern status of the Group.

The Board's statement regarding the going concern status of the Group, as supported by the Committee, is included in the Directors' Report on pages 7 to 11.

Expertise and experience of Financial Director and the finance function

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements and paragraph 7.3(e)(i) of the Debt Listings Requirements, as well as recommended practice outlined in King IV, the Committee has satisfied itself that the Financial Director has appropriate expertise and experience in terms of the JSE Listings Requirements.

In addition, the Committee also considered and has satisfied itself that the appropriateness, composition, experience and skills set of the finance function met the Group's requirements.

Comments on key audit matters, addressed by Mazars in its external auditor's report

The external auditor has reported on one key audit matter in respect of their 2024 audit, being construction contract revenue recognised over time.

The key audit matter related to a material financial statement line item and required judgement and estimates to be applied by management.

The Committee assessed the methodology, assumptions and judgements applied by management in dealing with the key audit matter. Furthermore the Committee discussed the key audit matter with the external auditor to understand their related audit processes and views.

Following our assessment, we were comfortable with the conclusions reached by management and the external auditor.

Annual financial statements

The Committee reviewed the annual financial statements and the accounting policies and practices of the Group and is satisfied that they comply with IFRS® Accounting Standards ("IFRS") and ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the Consolidated Group Financial Statements.

The Committee recommended the financial statements to the Board for approval. The Board concurred with this assessment.

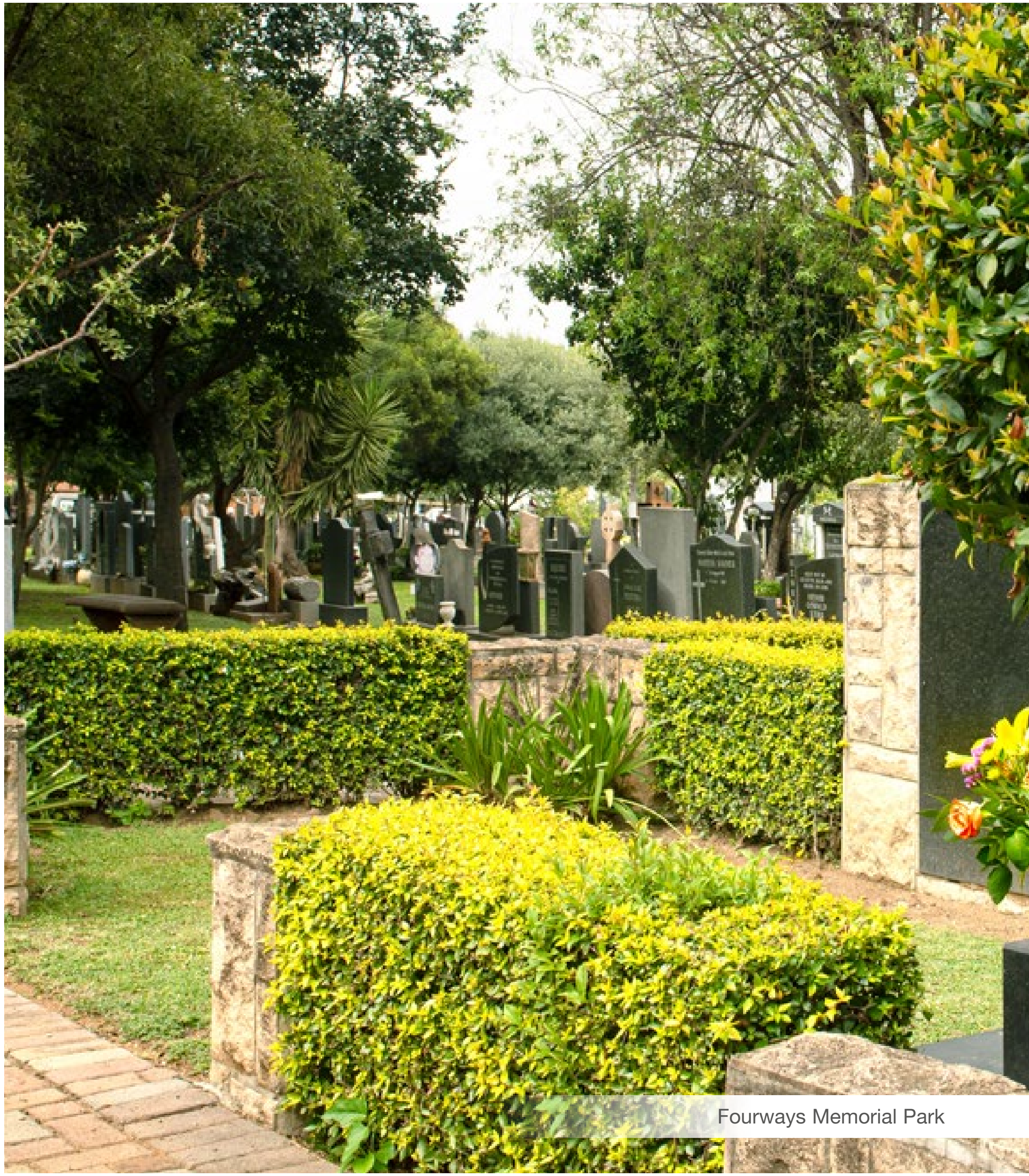
Conclusion

The Committee, in carrying out its duties, has due regard to the principles and recommended practices of King IV. It is satisfied it has considered and discharged its responsibilities in accordance with its terms of reference.

On behalf of the Audit and Risk Committee

GS Hauptfleisch
Chairman: Audit and Risk Committee

13 May 2024



Fourways Memorial Park

Directors' report

The Directors hereby submit their report for the year ended 29 February 2024.

1. Nature of business

Calgro M3 Holdings Limited (the "Company") and its subsidiaries and joint ventures (together "the Group") specialise in the development of Integrated Residential Developments and the development and management of Memorial Parks. The aim is to lead and assist the South African property industry to change and adapt traditional social structures, hampering the delivery of sustainable housing solutions and increasing the availability of quality burial sites.

These businesses are reported along the same turnkey business model that allows for the extraction of value from multiple areas while mitigating risk throughout the process.

The Group's business strategy supports Government's proactive drive, which is expressed in the "Breaking New Ground" initiative aimed at ensuring the formation of sustainable settlements. This is achieved through the integration of various income groups, as well as the provision of socio-amenities such as schools and hospitals, within an integrated residential development.

The Calgro M3 Group has an operating cycle in excess of one year for inventories, construction contracts and work in progress. A typical integrated development generally varies between one and 10 years, depending on the project size and type, which includes different typologies and infrastructure requirements. As a result, the order of liquidity provides a more reliable and relevant reflection of the nature of the Group's assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the Consolidated and Company Annual Financial Statements.

Registered office:	**Postal address:**
Calgro M3 Building	Private Bag X33
Ballywoods Office Park	Craighall
33 Ballyclare Drive	2024
Bryanston	
2196	

2. Financial results

The consolidated and company financial statements on pages 16 to 71 and pages 72 to 84, set out fully the financial position, results of operations and cash flows of the Group and Company for the year ended 29 February 2024 and do not in our opinion require any further comment.

Segmental reporting is set out in note 1 of the financial statements. The Group operates within two distinct segments, namely Residential Property Development and Memorial Parks.

3. Type of company

Calgro M3 Holdings Limited is registered as a public company in terms of the Companies Act No. 71 of 2008.

4. Subsidiary and associated entities

Refer to note 10 for further details of the investments held in joint ventures.

All direct and indirect subsidiary companies are South African-based and are engaged in the two core business segments of the Group.

Particulars of the joint ventures (note 10) and the principal subsidiaries (note 44) are set out in the financial statements.

5. Directors' interest in shares

At the date of this report, the following direct and indirect interests in the Company were held by Directors:

	Number of shares				
	Total	**WJ Lategan**	**WA Joubert**	**W Williams**	**SU Naicker**
Beneficial shareholding at 28 February 2023					
Direct	7 932 575	6 805 631	16 000	1 110 944	–
Indirect	400 156	–	313 490	86 666	–
	8 332 731	6 805 631	329 490	1 197 610	–
Shares acquired/(disposed of) during the year					
Direct	1 020 785	445 115	165 000	278 670	132 000
Indirect	122 579	74 579	48 000	–	–
	1 143 364	519 694	213 000	278 670	132 000
Beneficial shareholding at 29 February 2024					
Direct	**8 953 360**	**7 250 746**	**181 000**	**1 389 614**	**132 000**
Indirect	**522 735**	**74 579**	**361 490**	**86 666**	**–**
	9 476 095	**7 325 325**	**542 490**	**1 476 280**	**132 000**
Beneficial shareholding at 28 February 2023 that are subject to security, guarantee or collateral					
Direct	6 459 494	6 459 494	–	–	–
Indirect	–	–	–	–	–
	6 459 494	6 459 494	–	–	–
Beneficial shareholding at 29 February 2024 that are subject to security, guarantee or collateral					
Direct	**7 250 746**	**7 250 746**	**–**	**–**	**–**
Indirect	**–**	**–**	**–**	**–**	**–**
	7 250 746	**7 250 746**	**–**	**–**	**–**
Total facility value (Rand) 2023	406 060	406 060			
Total facility value (Rand) 2024	**22 073**	**22 073**			
Facility expiry date	**29 November 2024**				

No other Directors or prescribed officers within Calgro M3 have pledged securities as guarantee/collateral during the course of the reporting period or at the present date.

Should securities be pledged the necessary announcement will be made to the market. There were no changes in the shareholding of Directors and prescribed officers between the end of the financial year and the date of approval of the Annual Financial Statements.

6. Accounting policies

The consolidated and company financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") and the accounting policies disclosed.

7. Authorised and issued share capital

Refer to note 17 for further details of the authorised and issued share capital.

Total number of ordinary shares authorised at 29 February 2024: 500 000 000

Total number of ordinary shares in issue (excluding treasury shares) at 29 February 2024: 96 059 126

8. Capital expenditure

Details on capital expenditure are set out in notes 13, 14 and 15 of the Consolidated and Separate Audited Annual Financial Statements.

9. Dividends

The Board announced the introduction of the inaugural dividend policy in the current financial year.

The policy provides for dividends to be paid annually, calculated at a minimum of 5% of the HEPS.

A maiden dividend of 9.49350 cents per share (2023: nil cents per share) for the year was declared on 13 May 2024.

The net dividend payable to shareholders subject to dividend tax is 7.59480 cents per share (2023: nil cents per share).

10. Going concern

The Group and Company financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has considered the Group's cash flow forecasts for the foreseeable future, with the consideration given to the uncertainty in operational performance, company specific risks and other wider macro economic environment risks.

The Group maintains sufficient liquidity throughout the period to furnish its liabilities as they fall due.

In considering the going concern assumption the following factors have a potential market impact on the Group:

- The current fluctuations in the interest rates and resulting interest hikes has not impacted the granting of 100% home loans in the lower to middle tier of the market.
- Government committed to the need for dignified housing in South Africa. Our belief is that this will bring about new opportunities.

There are no financial or non-financial factors, including political and socio-economic factors, impacting the Group which need to be adjusted for within the cash flow forecasts.

11. Directors

Name	Position	Date appointed	Contract expiry
Wayne Williams	Executive Director	**1 June 2015**	**3 month notice**
Willem Adolph Joubert	Executive Director	**1 June 2015**	**3 month notice**
Willem Jakobus Lategan	Chief Executive Officer	**5 August 2008**	**3 month notice**
Sayuri Urvashi Naicker	Finance Director	**1 March 2022**	**3 month notice**
George Stephanus Hauptfleisch	Independent Non-Executive	**6 June 2018**	
Hatla Ntene	Independent Non-Executive	**12 October 2007**	
Mduduzi Edward Gama	Independent Non-Executive	**10 January 2012**	
Ralph Bruce Patmore	Independent Non-Executive	**18 January 2011**	
Thembalihle Phillip Baloyi	Independent Non-Executive	**23 March 2020**	
Tyrone Christie Moodley	Non-Executive	**9 July 2020**	

12. Secretary

Juba Statutory Services (Pty) Ltd, represented by Mrs Sirkien van Schalkwyk, is the appointed company secretary for the Group.

As required by section 3.84(h) of the JSE Listings Requirements, the Board is satisfied that Juba Statutory Services (Pty) Ltd has the appropriate qualifications, expertise and experience. In addition, Juba Statutory Services (Pty) Ltd is not a Director of the Group and has an arms-length relationship with the Board.

The address of the secretary is set out below:

Business address:
Office B0103
The Park Centre
937 Barnard Street
Elarduspark
Pretoria
0047

Postal address:
PO Box 4896
Rietvalleirand
0174

13. Auditor

At the 2023 AGM held in June 2023, shareholders approved the reappointment of Mazars as the Group's statutory auditor.

Miles Fisher will be the individual registered auditor who will undertake the audit for the 2024 financial year. Mandatory audit partner rotations occur every five years in line with the requirements of the Companies Act.

The Audit and Risk Committee monitors the independence of Mazars and the audit partner on an annual basis, to ensure that they remain independent.

14. Preparer

The financial statements were internally compiled by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

15. Liquidity and solvency

The Directors have performed the required liquidity and solvency tests required by the Companies Act No. 71 of 2008.The Directors believe that the Group has adequate financial resources and is liquid and solvent to continue in operation for the foreseeable future. Refer to note 38.

16. Level of assurance

The consolidated and company financial statements have been audited by our external auditor Mazars in compliance with the applicable requirements of the Companies Act 71 of 2008.

17. Special resolutions

At the Annual General Meeting held on 29 June 2023, the following special resolutions were approved:

- General authority to repurchase shares
- Remuneration of Non-Executive Directors
- Inter-company financial assistance
- Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

No special resolution relating to the capital structure, borrowing powers or any other material matter that affects the understanding of the Group were passed by subsidiary companies during the year under review.

18. Analysis of shareholders

Shareholders' spread analysis as at 29 February 2024:

	Number of shareholders	%	Number of shares	%
Total shares in issue	5 602	100.00	114 381 575	100.00
Non-public shares	8	0.15	27 908 544	24.40
Public shares	5 594	99.85	86 473 031	75.60
Analysis of non-public shareholders				
Directors of the Company or any subsidiary	5	0.09	9 586 095	8.38
Calgro M3 Developments (Pty) Ltd	1	0.02	7 896 631	6.90
Calgro M3 Employee Benefit Trust	1	0.02	5 212 909	4.56
Calgro M3 Educational Benefit Trust	1	0.02	5 212 909	4.56
	8	0.15	27 908 544	24.40

	Number of shareholders	%
Shareholders with an interest of 5% or more in shares		
Pershing LLC	11 527 386	10.08
DNS Trust	7 989 999	6.99
Calgro M3 Developments (Pty) Limited	7 896 631	6.90
BPM Family Trust	7 829 862	6.85
Mr WJ Lategan	7 250 746	6.34
Mr LCH Chou	6 200 000	5.42
	48 694 624	42.58

19. Events after reporting year

Exercise of option agreement

Subsequent to the end of the financial year Calgro M3 Land (Pty) Ltd ("Calgro M3") and Eris Property Group (Pty) Ltd ("Eris") exercised the option to purchase the Frankenwald property from The University of the Witwatersrand. This option was exercised through the Bankenveld District City (Pty) Ltd joint venture ("Bankenveld") which is 50% owned by both Calgro M3 and Eris. This strategic land purchase on the doorstep of Sandton is poised to deliver 20 000 to 30 000 housing units alongside significant commercial, retail and industrial spaces. The Bankenveld joint venture agreement provides for both shareholding companies to share the cost of the infrastructure installation. After which Calgro M3 will be responsible for the residential components development, while Eris will be handling the commercial, retail, industrial, educational and healthcare components for their own benefits.

Upon exercising the option on 1 March 2024, the Bankenveld joint venture is required to settle the option fee of R200 million which is equally contributed by Calgro M3 and Eris.

The timing of this payment remains uncertain and awaits the final approval from the Competition Commission.

Belhar Lofts

Independent auditor's report to the shareholders of Calgro M3 Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Calgro M3 Holdings Limited and its subsidiaries (the group) set out on pages 16 to 84, which comprise the consolidated and separate statement of financial position as at 29 February 2024, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Calgro M3 Holdings Limited and its subsidiaries as at 29 February 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of South Africa.

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

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 in respect of the separate financial statements to communicate in our report. We have determined the matter described below to be a key audit matter in relation to the consolidated financial statements to be communicated in our report.

<table>
<tr><th>Matter</th><th>Audit response</th></tr>
<tr><td>

Property Development Segment – Contract revenue recognised over time

Refer to the following accounting policies and notes to the consolidated financial statements:

Note 1: Segment information;
Note 2.4: Significant judgements and estimates;
Note 8: Construction contracts; and
Note 21: Revenue

The Group has significant long-term construction contracts within the “Residential Property Development” operating segment.

The Group uses the input method to account for revenue over time. Under this method the Group compares the actual costs incurred to date with the forecasted cost at completion.

Project feasibilities, which estimates future contract revenue and costs on a project, are prepared by management with the assistance of internal experts, consulting engineers and appointed contractors. Internal experts include town planners, quantity surveyors and architects.

We have determined the accounting of over time contracts within the property development segment to be a key audit matter, due to the extensive effort and use of internal experts which was required to evaluate the high degree of judgement and estimation involved in preparing project feasibilities, and thus calculating the percentage of completion, as well as the magnitude of revenue and costs associated with these contracts.

</td><td>

In response we performed the following audit procedures:

Contract costs:

1. We sampled the occurrence and accuracy of allocation of contract costs by testing to supporting documentation.

Contract revenue and construction contracts:

1. We evaluated whether the revenue recognition policy applied by the group, specifically with regards to timing and identification of performance obligations, is in compliance with the requirements of IFRS 15.
2. For a sample of contracts within the “Residential Property Development” operating segment where revenue is recognised over time:
a. We agreed cumulative costs incurred to date and billings on the contract against current year ledgers and prior year contracts in progress calculations.
b. We agreed forecasted costs and revenues used in the contracts in progress calculations to project feasibilities.
c. We recalculated the following:
i. Stage of completion (Costs incurred as a percentage of total expected costs)
ii. Cumulative and year to date revenue to be recognised (Stage of completion x forecasted revenue)
iii. Contracts in progress balance – Cumulative revenue to be recognised less progress billings to date.
d. We obtained the project feasibilities for these projects and performed the following procedures thereon:
i. We confirmed that all casts and calculations were mathematically accurate.
ii. We obtained a detail understanding of the contract deliverables, the remaining scope of works to be completed, contractors appointed as well as project specific risks.
iii. We reviewed the forecast methodology and assumptions applied to create the forecast.
iv. We verified the underlying data used in the cost forecast, to the extent possible, to supporting documentation which included engineers’ reports, supplier agreements (contractors are appointed on a fixed cost basis) and progress reports.
v. Based on our understanding of the risks associated with the project, we evaluated with reference to industry related data, whether reasonable provision for contingent costs was included in project feasibilities. The purpose of cost contingencies is to allow for unforeseen events, such as changes in design, delays or unexpected site conditions that can increase the cost of a project. The percentage chosen for the contingency will depend on various factors such as the complexity of the project, the level of uncertainty in design, the experience of the contractors and the level of risk associated with the project.
vi. We evaluated whether forecasted revenue was calculated in accordance with the pricing stipulated in the contract, taking into account subsidies that can be claimed.
vii. For ongoing projects we assessed the reasonability of changes in forecast costs and revenue from the prior year.
3. In line with the requirements of ISA 500, we assessed the competence, objectivity and capabilities of internal experts involved in preparing project feasibilities (town planners, quantity surveyors and architects) by obtaining supporting documents on their qualifications, experience and professional memberships.
4. We assessed the adequacy of the disclosures in the financial statements to ensure compliance with the requirements of IFRS15: Revenue from Contracts with Customers.

</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Calgro M3 Holdings Limited Consolidated and Separate Financial Statements 2024", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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's and 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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 Mazars has been the auditor of Calgro M3 Holdings Limited for 2 years.

Mazars
Partner: Miles Fisher
Registered Auditor

13 May 2024

Johannesburg

Consolidated statement of financial position

	Notes	2024	2023
Assets			
Cash and cash equivalents	5	**122 638 021**	172 614 330
Trade and other receivables	6	**140 409 757**	164 010 749
Current income tax assets	7	**212 247**	362 290
Construction contracts	8	**1 355 384 620**	1 162 393 952
Loans to joint ventures	9	**402 422 283**	371 472 316
Investment in joint ventures	10	**68 321 244**	51 991 549
Inventories	11	**503 385 249**	498 540 794
Investments	12	**16 769 513**	14 894 959
Property, plant and equipment	13	**29 188 675**	16 684 459
Investment property	14	**22 147 091**	19 947 022
Intangible assets	15	**159 650 534**	159 650 534
Deferred income tax asset	16	**15 681 504**	26 500 218
Total assets		**2 836 210 738**	2 659 063 172
Equity and liabilities			
Equity			
Equity attributable to owners of the parent			
Stated capital	17	**31 610 096**	102 080 971
Share-based payment reserve	33	**363 152**	10 454 589
Retained income		**1 251 252 682**	1 040 813 265
		1 283 225 930	1 153 348 825
Non-controlling interests	32	**665 676**	689 262
Total equity		**1 283 891 606**	1 154 038 087
Liabilities			
Trade and other payables	18	**290 924 698**	360 504 294
Current income tax liabilities	7	**581 106**	633 442
Borrowings	19	**934 796 142**	876 362 327
Deferred income tax liability	16	**326 017 186**	267 525 022
Total liabilities		**1 552 319 132**	1 505 025 085
Total equity and liabilities		**2 836 210 738**	2 659 063 172

The notes on pages 18 to 71 are an integral part of these Consolidated and Separate Audited Annual Financial Statements.

Consolidated statement of comprehensive income

	Notes	2024	2023
Revenue	21	**1 284 539 758**	1 525 316 550
Cost of sales	22	**(934 510 643)**	(1 167 622 753)
Gross profit		**350 029 115**	357 693 797
Other income	23	**11 538 164**	8 983 344
Administrative expenses	24	**(98 139 169)**	(102 425 094)
Other expenses	25	**(64 106)**	(1 065 960)
Expected credit losses on financial and contract assets	26	**(5 595 247)**	(5 657 460)
Finance income	27	**59 799 809**	33 481 456
Finance costs	28	**(57 300 560)**	(44 038 188)
Share of profit of joint ventures – net of tax	10	**9 429 695**	5 386 925
Profit before tax		**269 697 701**	252 358 820
Taxation	29	**(72 896 505)**	(66 071 284)
Profit after taxation		**196 801 196**	186 287 536
Other comprehensive income		**–**	–
Total comprehensive income		**196 801 196**	186 287 536
Profit after taxation and total comprehensive income attributable to:			
– Owners of the parent		**196 640 694**	186 194 542
– Non-controlling interests		**160 502**	92 994
		196 801 196	186 287 536
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	37	**192.01**	153.37
– diluted	37	**188.86**	147.43

The notes on pages 18 to 71 are an integral part of these Consolidated and Separate Audited Annual Financial Statements.

Consolidated statement of changes in equity

	Stated capital	Share-based payment reserve	Retained income	Total	Non-controlling interests*	Total equity
Balance at 1 March 2022	102 080 971	10 645 975	850 362 620	963 089 566	596 268	963 685 834
Share-based payments#	–	(191 386)	4 413 541	4 222 155	–	4 222 155
Dividend declared◊	–	–	(157 438)	(157 438)	–	(157 438)
Comprehensive income						
Profit for the period	–	–	186 194 542	186 194 542	92 994	186 287 536
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	–	–	186 194 542	186 194 542	92 994	186 287 536
Balance at 1 March 2023	**102 080 971**	**10 454 589**	**1 040 813 265**	**1 153 348 825**	**689 262**	**1 154 038 087**
Shares repurchased	**(73 016 275)**	**–**	**–**	**(73 016 275)**	**–**	**(73 016 275)**
Share-based payments#	**2 545 400**	**(10 091 437)**	**13 798 723**	**6 252 686**	**–**	**6 252 686**
Dividend declared◊	**–**	**–**	**–**	**–**	**(184 088)**	**(184 088)**
Comprehensive income						
Profit for the period	**–**	**–**	**196 640 694**	**196 640 694**	**160 502**	**196 801 196**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**196 640 694**	**196 640 694**	**160 502**	**196 801 196**
Balance at 29 February 2024	**31 610 096**	**363 152**	**1 251 252 682**	**1 283 225 930**	**665 676**	**1 283 891 606**
Notes	17	33			32	

* *The Calgro M3 Group does not hold 100% of the shareholding of the Belhar Calgro M3 Developments Company (Pty) Ltd, Calgro M3 Procurement Services (Pty) Ltd, Calgro M3 Procurement Management (Pty) Ltd, Calgro M3 Contractors (Pty) Ltd and CTE Consulting (Pty) Ltd.*

\# *Refer to note 33 for further details regarding the Calgro M3 Executive Share Schemes and the Calgro M3 Management Share Schemes.*

◊ *Dividends declared are payable to The Calgro M3 Educational Trust, which the Group does not have control over.*

The notes on pages 18 to 71 are an integral part of these Consolidated and Separate Audited Annual Financial Statements.

Consolidated statement of cash flows

	Notes	2024	2023
Cash generated from operating activities			
Cash generated from operations	30	**149 245 922**	89 638 658
Finance income received		**56 905 547**	8 003 346
Finance cost paid		**(111 400 297)**	(90 374 618)
Tax paid	31	**(3 487 918)**	(5 197 841)
Net cash generated from operating activities		**91 263 254**	2 069 545
Cash flows invested in investing activities			
Purchase of property, plant and equipment	13	**(722 708)**	(1 199 014)
Proceeds from the sale of property, plant and equipment		**–**	455 864
Increase of investments in joint venture	10	**(6 900 000)**	–
Loans advanced to joint ventures		**(202 241 767)**	(65 124 839)
Loans repaid by joint ventures		**88 989 815**	13 172 134
Net cash invested in investing activities		**(120 874 660)**	(52 695 855)
Cash flows (repaid in)/advanced from financing activities			
Proceeds from borrowings	19	**288 000 000**	230 000 000
Capital repayment of borrowings	19	**(232 800 000)**	(194 800 000)
Shares bought back	17	**(73 016 275)**	–
Repayment of capital portion on leases		**(2 548 628)**	(3 073 609)
Net cash (repaid in)/advanced from financing activities		**(20 364 903)**	32 126 391
Net decrease in cash and cash equivalents		**(49 976 309)**	(18 499 919)
Cash and cash equivalents at the beginning of the year		**172 614 330**	191 114 249
Cash and cash equivalents at the end of the year	5	**122 638 021**	172 614 330

The notes on pages 18 to 71 are an integral part of these Consolidated and Separate Audited Annual Financial Statements.

Notes to the consolidated and separate audited annual financial statements

1. Segment information

The appointed Chief Operating Decision Maker ("CODM") within the Calgro M3 Group is the Group's Executive Committee ("Exco"). It is Exco's responsibility to meet on a regular basis (through weekly meetings and more frequently if required) and develop the strategy for the Group, set and review budgets, which are approved by the Board of Directors. The CODM allocates group resources to the operating segments and assesses the performance of the operating segments.

At Exco meetings, summarised feedback are provided by management of the different operational activities within the Group.

The CODM manages the Group activities in two distinct segments namely:

- Residential Property Development
- Memorial Parks

The operation of the Residential Property Development segment encompasses the following product range: mid to high income housing and the development of integrated developments.

Integrated developments comprise affordable housing, Grassroots Affordable People's homes ("GAP"), First Home Finance ("FHF") and rental housing, social housing, Community Residential Units ("CRU") housing, as well as Breaking New Ground ("BNG") fully subsidised housing. The Group's customer base includes the government, financial institutions and the general public.

The Group's products relating to the Memorial Parks segment consist of burial rights and the associated burial and maintenance services.

The segmental information provided to Exco for the year ended 29 February 2024 has been provided below. The table indicates from where the Group's revenue has been earned, including its joint ventures. The revenue earned by the joint ventures, in their own capacities, have been disclosed in note 10.

The CODM assesses the performance of the operating segments based on two measurement methods, firstly a fully consolidated statement of comprehensive income per segment (including the elimination of inter-segmental transactions) and secondly a statement of financial position per consolidated segment (transactions between segments have not been eliminated for the statement of financial position).

1. Segment information (continued)

Statement of comprehensive income

	Residential Property Development	Memorial Parks	Holdings and other	Total
2024				
Total segment revenue	1 242 134 443	42 405 315	–	1 284 539 758
Fleurhof	566 405 388	–	–	566 405 388
Jabulani	127 711 109	–	–	127 711 109
Scottsdene	51 241 515	–	–	51 241 515
South Hills	187 759 105	–	–	187 759 105
Belhar	231 284 959	–	–	231 284 959
Mid to high projects	65 697 694	–	–	65 697 694
Other projects	12 034 673	42 405 315	–	54 439 988
Combined revenue*	1 340 506 235	42 405 315	–	1 382 911 550
Total segment revenue	1 242 134 443	42 405 315	–	1 284 539 758
Revenue of joint ventures	98 371 792	–	–	98 371 792
Witpoortjie Calgro M3 Development Company (Pty) Ltd	26 561 361	–	–	26 561 361
South Hills Development Company (Pty) Ltd	71 810 431	–	–	71 810 431
Gross revenue	1 242 134 443	42 405 315	–	1 284 539 758
Point in time	412 777 229	42 405 315	–	455 182 544
Over time	829 357 214	–	–	829 357 214

* *Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-group eliminations. Refer to note 10 for details on revenue attributable to joint ventures.*

Statement of comprehensive income (continued)

	Residential Property Development	Memorial Parks	Holdings and other	Total
Revenue	1 242 134 443	42 405 315	–	1 284 539 758
Cost of sales	(911 501 595)	(23 009 048)	–	(934 510 643)
Gross profit	330 632 848	19 396 267	–	350 029 115
Other income	3 338 944	8 199 220	–	11 538 164
Administrative expenses	(80 943 797)	(12 795 451)	(4 399 921)	(98 139 169)
Other expenses	(64 106)	–	–	(64 106)
Expected credit losses on financial and contract assets	(5 611 094)	15 847	–	(5 595 247)
Finance income	56 088 750	260 335	3 450 724	59 799 809
Finance costs#	(57 136 890)	(163 670)	–	(57 300 560)
Share of profit of joint ventures – net of tax	9 429 695	–	–	9 429 695
Profit/(loss) before tax	255 734 350	14 912 548	(949 197)	269 697 701
Taxation	(74 702 691)	1 353 949	452 237	(72 896 505)
Profit/(loss) after taxation	181 031 659	16 266 497	(496 960)	196 801 196
Other comprehensive income	–	–	–	–
Total comprehensive income	181 031 659	16 266 497	(496 960)	196 801 196
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	180 871 157	16 266 497	(496 960)	196 640 694
– Non-controlling interests	160 502	–	–	160 502
	181 031 659	16 266 497	(496 960)	196 801 196

In the current year only, the Group reassessed the borrowings and finance costs allocation between the segments. This change has resulted in the allocation of Group borrowings to the Memorial Parks segment aligning to the capital injections made into the segment less repayments thereof. The prior year was not restated.

1. Segment information (continued)

Statement of financial position

	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	118 996 304	2 473 227	1 168 490	122 638 021
Trade and other receivables	134 930 999	5 453 860	24 898	140 409 757
Current income tax assets	212 247	–	–	212 247
Construction contracts	1 355 384 620	–	–	1 355 384 620
Loans to joint ventures	402 422 283	–	–	402 422 283
Investment in joint ventures	68 321 244	–	–	68 321 244
Inventories	335 780 574	167 604 675	–	503 385 249
Investments	–	16 769 513	–	16 769 513
Property, plant and equipment	21 062 489	8 126 186	–	29 188 675
Investment property	–	22 147 091	–	22 147 091
Intangible assets	158 955 730	694 804	–	159 650 534
Deferred income tax asset	1 533 736	14 147 768	–	15 681 504
Total assets	2 597 600 226	237 417 124	1 193 388	2 836 210 738
Liabilities				
Trade and other payables	212 265 456	61 998 281	16 660 961	290 924 698
Current income tax liabilities	247 567	317 002	16 537	581 106
Borrowings#	932 126 034	2 670 108	–	934 796 142
Deferred income tax liability	326 017 186	–	–	326 017 186
Total liabilities	1 470 656 243	64 985 391	16 677 498	1 552 319 132

In the current year only, the Group reassessed the borrowings and finance costs allocation between the segments. This change has resulted in the allocation of Group borrowings to the Memorial Parks segment aligning to the capital injections made into the segment less repayments thereof. The prior year was not restated.

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

Statement of comprehensive income

	Residential Property Development	Memorial Parks	Holdings and other	Total
2023				
Total segment revenue	1 489 772 516	35 544 034	–	1 525 316 550
Fleurhof	587 819 293	–	–	587 819 293
Jabulani	161 884 587	–	–	161 884 587
Scottsdene	73 298 718	–	–	73 298 718
South Hills	201 939 105	–	–	201 939 105
Belhar	202 434 778	–	–	202 434 778
Bridge City	139 816 576	–	–	139 816 576
Other projects	122 579 459	35 544 034	–	158 123 493
Combined revenue*	1 630 942 779	35 544 034	–	1 666 486 813
Total segment revenue	1 489 772 517	35 544 034	–	1 525 316 551
Revenue of joint ventures	141 170 262	–	–	141 170 262
Witpoortjie Calgro M3 Development Company (Pty) Ltd	22 656 388	–	–	22 656 388
South Hills Development Company (Pty) Ltd	118 513 874	–	–	118 513 874
Gross revenue	1 489 772 516	35 544 034	–	1 525 316 550
Point in time	452 231 607	35 544 034	–	487 775 641
Over time	1 037 540 909	–	–	1 037 540 909

* *Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-group eliminations. Refer to note 10 for details on revenue attributable to joint ventures.*

1. Segment information (continued)

Statement of comprehensive income (continued)

	Residential Property Development	Memorial Parks	Holdings and other	Total
Revenue	1 489 772 516	35 544 034	–	1 525 316 550
Cost of sales	(1 144 928 818)	(22 693 935)	–	(1 167 622 753)
Gross profit	344 843 698	12 850 099	–	357 693 797
Other income	4 354 745	4 628 599	–	8 983 344
Administrative expenses	(85 445 512)	(12 080 508)	(4 899 074)	(102 425 094)
Other expenses	(1 065 960)	–	–	(1 065 960)
Expected credit losses on financial and contract assets	(5 650 955)	(6 505)	–	(5 657 460)
Finance income	33 244 204	54 553	182 699	33 481 456
Finance costs#	(36 737 359)	(7 300 829)	–	(44 038 188)
Share of profit/(loss) of joint ventures – net of tax	5 386 925	–	–	5 386 925
Profit/(loss) before tax	258 929 786	(1 854 591)	(4 716 375)	252 358 820
Taxation	(68 745 107)	2 830 911	(157 088)	(66 071 284)
Profit/(loss) after taxation	190 184 679	976 320	(4 873 463)	186 287 536
Other comprehensive income	–	–	–	–
Total comprehensive income	190 184 679	976 320	(4 873 463)	186 287 536
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	190 091 685	976 320	(4 873 463)	186 194 542
– Non-controlling interests	92 994	–	–	92 994
	190 184 679	976 320	(4 873 463)	186 287 536

The Group allocated borrowings and finance costs proportionally to each segment based on the total assets per segment.

Statement of financial position

	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	169 181 246	2 379 844	1 053 240	172 614 330
Trade and other receivables	157 644 457	6 366 292	–	164 010 749
Current income tax assets	329 083	33 207	–	362 290
Construction contracts	1 162 393 952	–	–	1 162 393 952
Loans to joint ventures	371 472 316	–	–	371 472 316
Investment in joint ventures	51 991 549	–	–	51 991 549
Inventories	325 289 570	173 251 224	–	498 540 794
Investments	–	14 894 959	–	14 894 959
Property, plant and equipment	8 466 075	8 218 384	–	16 684 459
Investment property	–	19 947 022	–	19 947 022
Intangible assets	158 955 730	694 804	–	159 650 534
Deferred income tax asset	16 950 949	9 549 269	–	26 500 218
Total assets	2 422 674 927	235 335 005	1 053 240	2 659 063 172
Liabilities				
Trade and other payables	300 833 096	54 747 291	4 923 907	360 504 294
Current income tax liabilities	169 934	239 742	223 766	633 442
Borrowings#	798 772 607	77 589 720	–	876 362 327
Deferred income tax liability	267 525 022	–	–	267 525 022
Total liabilities	1 367 300 659	132 576 753	5 147 673	1 505 025 085

The Group allocated borrowings and finance costs proportionally to each segment based on the total assets per segment.

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

2. General information

Calgro M3 Holdings Limited (the "Company"), its subsidiaries and joint ventures (together "the Group"), specialise in the development of Integrated Residential Developments and the development and management of Memorial Parks. The aim is to lead and assist the South African property industry to change and adapt traditional social structures, hampering the delivery of sustainable housing solutions and increasing the availability of quality burial sites.

The Company is listed on the Johannesburg Stock Exchange.

2.1 Summary of significant accounting policies

The most significant accounting policies have been presented as part of the relevant notes in these financial statements. The remainder of the accounting policies not relating to a specific note is dealt with in the section below. All policies have been consistently applied to all the years presented, unless stipulated otherwise in note 2.5.1.

2.2 Basis of preparation

The Group and Company financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act 71 of 2008 and the JSE Listings Requirements. The financial statements have been prepared on the historical cost basis, except as stipulated otherwise in the principal accounting policies below.

2.3 Operating cycle

The Calgro M3 Group has an operating cycle in excess of one year for inventories, construction contracts and work in progress. A typical integrated development generally varies between 1 and 10 years, depending on the project size and type, which includes different typologies and infrastructure requirements. As a result, the order of liquidity provides a more reliable and relevant reflection of the nature of the Group's assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the Consolidated and Company Annual Financial Statements.

2.4 Significant estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The significant judgements have been disclosed in the applicable note. These include:

- Expected credit losses on financial assets — Note 2.10.2
- Fair value estimation — Note 4 and note 14
- Percentage of completion method for measuring construction revenue — Note 8 and note 21
- Scope of construction agreements — Note 8 and note 21
- Assessment of joint control — Note 10
- Land under development held for sale — Note 11
- Property, plant and equipment — Note 13
- Impairment of goodwill — Note 15
- Taxation — Note 16 and note 29
- Determination of performance obligations for residential property development revenue — Note 21
- Determination of performance obligations for memorial parks revenue — Note 21
- Share-based payments — Note 33

2.5 New standards and interpretations

2.5.1 Standards and interpretations issued and effective

There were a number of new standards and interpretations effective and adopted in the current year.

Topic	Key requirements and assessment	Effective date
IAS 1: *Presentation of Financial Statements*	Amendment: Disclosure of Accounting Policies No impact, as management performed a review of all existing accounting policies disclosed and noted that only material policies are disclosed.	1 January 2023
IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*	Amendment: Definition of Accounting Estimates No impact as the principles are already applied.	1 January 2023
Practice Statement 2: *Making Materiality Judgements Accounting Policies*	Amendment: Disclosure of Accounting Policies No impact, as management performed a review of all existing accounting policies disclosed and noted that only material policies are disclosed.	1 January 2023
IAS 12: *Income Taxes*	Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction No impact, as these principles were already applied when recognising deferred tax on lease liabilities and RoU assets.	1 January 2023

2. General information (continued)

2.5 New standards and interpretations (continued)

2.5.2 Standards and interpretations issued not yet effective

There are a number of new standards and amendments to new standards and interpretations which will only be effective after the 2024 year-end.

The initial assessment by management is that the impact of these standards and interpretations will be immaterial.

Topic	Key amendment and assessment	Effective date
IAS 1: *Presentation of Financial Statements*	Amendment: Classification of Liabilities as Current or Non-current The Group has assessed and no significant impact was noted.	1 January 2024
IAS 1: *Presentation of Financial Statements*	Amendment: Classification of Long-term Debt Affected by Covenants ▪ Classification to be based on whether the right to defer settlement by at least 12 months exists at the end of the reporting period. ▪ Classification is unaffected by expectation of settlement. ▪ Clarifies that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The Group has assessed and no significant impact was noted.	1 January 2024
IFRS 16: *Leases*	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 ▪ Subsequent measurement for sale and leaseback transactions meeting the IFRS 15 requirements for sale only. ▪ Seller-lessee to measure the lease liability in such a manner so that any gain or loss recognised relates only to rights transferred to buyer-lessor. No gain or loss may be recognised on the right-of-use retained. The standard has no impact as the Group has no sale and leasebacks.	1 January 2024

Topic	Key amendment and assessment	Effective date
IAS 7: *Statement of Cash Flows*, IFRS 7: *Financial Instruments: Disclosures*	Amendment: Supplier finance arrangements requiring disclosure: ▪ about how supplier finance arrangements affect an entity's liabilities and cash flow. ▪ as to whether supplier finance agreements have been accessed providing extended payment terms or early payment terms for suppliers. ▪ of the effects of exposure to liquidity risk including the impact if the supplier finance arrangements are no longer available. The standard has no impact as the Group has no Supplier finance arrangements.	1 January 2024
IFRS S1: *General Requirements for Disclosure of Sustainability-related Financial Information***	New Standard: requiring entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity. ▪ Entities are required to disclose information about sustainability-related risks and opportunities reasonably expected to affect their prospects. ▪ Prescribes how the entity prepares and reports its sustainability-related disclosures, setting out general requirements for content and presentation thereof. ▪ To provide an understanding of the entity's governance processes and controls, strategy to manage, identification processes and controls and performance in relation to the sustainability-related risks and opportunities and targets set. The Group has assessed and no significant impact was noted.	1 January 2024 (Effective prospectively)
IFRS S2: *Climate-related Disclosures*	New Standard: requiring entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available to that may be useful to investors and capital providers. ▪ Entities are required to disclose information about climate-related risks and opportunities reasonably expected to affect their cash flows, access to finance or cost of capital over the short, medium or long term. ▪ To provide an understanding of the entity's governance processes and controls, strategy, identification processes and controls and performance in relation to the climate-related risks and opportunities and targets set. The Group has assessed and no significant impact was noted.	1 January 2024 (Effective prospectively)

2. General information (continued)

2.5 New standards and interpretations (continued)

2.5.2 Standards and interpretations issued not yet effective (continued)

Topic	Key amendment and assessment	Effective date
IAS 21: *The Effects of Changes in Foreign Exchange Rates*	Amendment: Lack of Exchangeability ▪ Currency exchangeability explained. ▪ Requirement to estimate currency that is not exchangeable by using either an observable exchange rate without adjustment or using another estimation technique. ▪ Additional disclosures are required when an exchange rate requires estimation. **Modified retrospective approach summary** Translation of: ▪ Foreign transactions ▪ Foreign operations ▪ Presentation currency Adjustment required to opening balance of: ▪ Retained earnings ▪ Separate component of equity ▪ Separate component of equity The standard has no impact as the Group has no transactions or subsidiaries with or in countries where there is a shortage of currency.	1 January 2025 (Modified retrospective approach)

** *The implementation and the effective dates of IFRS Sustainability Disclosure Standards are subject to local regulation.*

2.6 Basis of consolidation

The Consolidated and Separate Audited Annual Financial Statements incorporate the financial statements of the Group and all its subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. In the case of joint ventures, these entities are equity accounted, and are presented as single line items in the Statement of Comprehensive Income and Statement of Financial Position (refer to note 10). Transactions and balances with subsidiaries are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the Consolidated and Separate Audited Annual Financial Statements.

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.7 Impairment of non-financial assets

The Group assesses at each end of the reporting year whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Goodwill is tested annually for impairment regardless of any indicators of such.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an individual non-financial asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

That reduction is an impairment loss and is recognised directly in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

2.8 Provisions and contingencies

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The Group assesses at the end of each reporting period, whether or not contingent assets require disclosure. Probable and contingent liabilities are not recognised but rather disclosed in the notes to the financial statements if an outflow of resources is not remote. No contingent assets or liabilities existed at year-end.

2. General information (continued)

2.9 Foreign currency translation

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 and Separate Audited Annual Financial Statements are presented in South African Rand, which is the Group's presentation currency.

2.10 Financial instruments

2.10.1 Classification and measurement of financial instruments

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:
- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); or
- Fair value through profit or loss ("FVPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

Financial assets

At initial recognition, the Group measures a financial asset, except for trade receivables which are initially recognised at transaction price under IFRS 15, at its fair value plus, in the case of financial asset not at FVPL, transaction cost that are directly attributable to the acquisition of the financial asset and it is subsequently measured at amortised cost.

Financial assets can be measured at amortised cost if the financial asset is held where the objective is to hold the financial asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All trade receivables, contract assets and loans to joint ventures are held based on the objective to collect the contractual cash flows and all contractual terms of these financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is used to determine the amortised cost of the relevant financial assets held at amortised cost. Interest income is recognised using the effective interest method for all financial assets measured at amortised cost.

Transaction cost of financial assets carried at FVPL are expensed in profit or loss.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other expenses.

Financial liabilities

At initial recognition the Group measures a financial liability at fair value less any transaction cost capitalised to the financial liability at initial recognition.

All of the Group's financial liabilities are classified as "financial liabilities at amortised cost" and are therefore subsequently measured at amortised cost.

Equity instruments

Equity instruments are subsequently measured at fair value. Where the Group's management has elected to present fair value gains and losses through other comprehensive income ("OCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as income from financial assets when the Group's right to receive payments is established.

2.10.2 Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its financial asset instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers credit risk to have increased significantly when the outstanding balances exceed the expected contractual repayment dates. ECLs are a probability weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the original effective interest rate of the financial asset.

The Group has three types of financial and contract assets that are subject to the expected credit loss model:
- Loans to joint ventures
- Contract assets relating to construction contracts
- Trade receivables

Due to the trade receivables and contract assets being linked to long-term projects, the simplified approach has been applied to determine the lifetime expected credit losses for the relevant financial assets. A lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset.

2. General information (continued)

2.10 Financial instruments (continued)

2.10.2 Impairment (continued)

The general expected credit loss model for loans to companies outside of the Group held at amortised cost has been applied. There has been no significant increase in the credit risk since initial recognition. The Group considers credit risk to have increased significantly when the outstanding balances exceed the expected contractual repayment dates. The Group considers a financial asset in default when contractual payments are 90 days past the contractual repayment dates.

The Group takes the following into account when determining the applicable ECL rates for financial assets:

- The probability of each project achieving its budget and probability of misestimating the outcome of a project thus having a negative impact on the project results.
- The relevant stage of completion of the project. If the project is at a more advanced stage of completion the certainty of revenue and cost can more accurately be determined which would lower the overall risk of default.
- The improvement/decline in the recoverability of the receivable based on historical data. If the average number of days between invoice date and receipt date improved, the probability of default would be lower.
- If the project has government exposure and relies on subsidies provided by government to install the related infrastructure and services required.
- The nature of the outstanding debtors at year-end included in each distinct category will increase/decrease the value of the expected credit loss allowance.
- The impact of a cancellation of a project. The probability of this is higher for a project where ground construction has not yet commenced.
- The sovereign rating of the South African Government as a downgrade could result in increased pressure on government spending and thus decrease government subsidy availability.
- The general impact of the economy on these developments/projects. Low to middle income earners are in most circumstances, significantly impacted by interest rates and employment levels, however this risk is mitigated by the extreme housing shortage of this target market and the limited number of housing being developed in this market.
- Moody's investor services were used in combination with historical recovery rates on sovereign and municipal debts to determine a loss rate. This was then converted into forward-looking expected credit loss rates by applying three macroeconomic forecasts for South Africa – Baseline (SO), Stronger near term recovery (S1) and Moderate recession (S3).

The Group has taken the poor state of the South African economy and the economic growth forecast, high unemployment rates and other macroeconomic factors into account when determining the ECL rates.

Financial assets that exhibit similar credit risk and behaviour are grouped together. Credit risk exposure on financial assets can be classified within three distinct categories.

1. Government institution exposure. The exposure to government is based on the type of project and units being constructed for government institutions within the geographic of South Africa
2. Normal business risk exposure. The exposure to other corporate customers and businesses within the geographic of South Africa
3. Financial institution risk exposure. The exposure to local financial institutions within geographic of South Africa

The three distinct categories have been subdivided into their relevant stages of the projects within the Group for the current and prior financial year to further analyse the relevant ECLs applied to the relevant financial assets.

Based on the relevant exposures as described above all, the following expected credit loss rates have been applied:

	2024		
	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure
Rates to be utilised for the ECLs			
New projects/projects undertaken with higher exposure to government	3.94% – 6.44%		
Project at an early to advanced stage of completion	1.45% – 2.21%	1.45% – 4.73%	
Project backed by a financial institution at an early to advanced stage of completion	1.45% – 2.21%		1,24%
Specific exposure	0% – 100%	0% – 100%	0% – 100%

The relevant government institution exposure rate is determined by the exposure being of national government or a local municipality. Should the exposure be to a local municipality the relevant rate would be higher compared to national government.

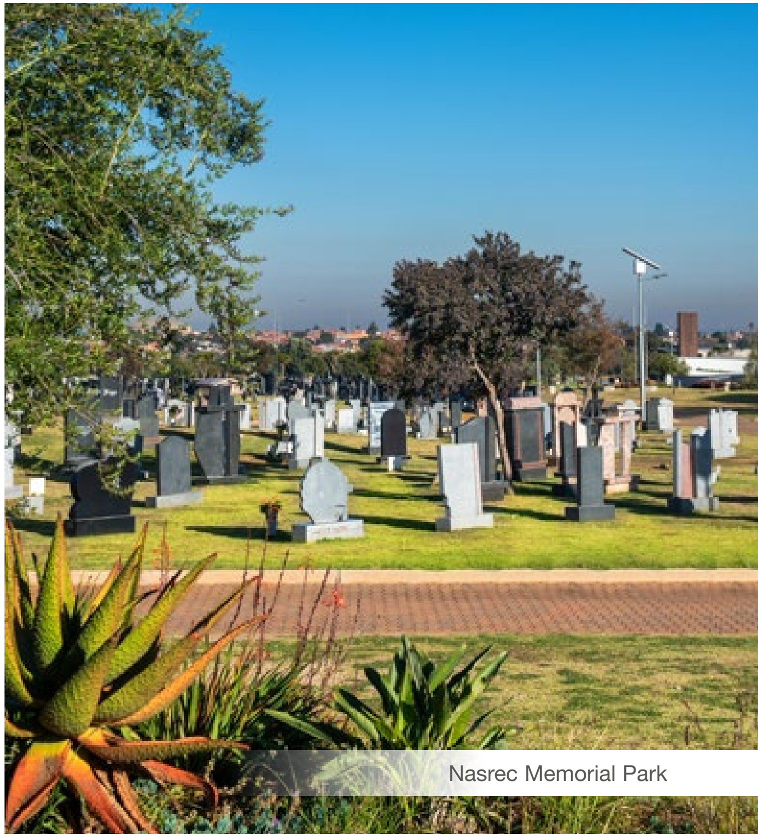
2. General information (continued)

2.10 Financial instruments (continued)

2.10.2 Impairment (continued)

The concentration of gross carrying amount of financial assets relevant to the applicable ECL rates are as follows:

	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Loans to joint ventures				
New projects with significant government exposure	55 377 132	–	–	55 377 132
Project at an early to advanced stage of completion	–	360 656 582	–	360 656 582
Project backed by a financial institution at an early to advanced stage of completion	–	–	5 708 053	5 708 053
Loans to joint ventures	**55 377 132**	**360 656 582**	**5 708 053**	**421 741 767**
Construction contracts – contract assets				
Project at an early to advanced stage of completion	154 837 589	27 644 646	–	182 482 235
Project backed by a financial institution at an early to advanced stage of completion	293 905 816	–	5 164 173	299 069 989
Specific exposure	22 669 882	355 142 924	–	377 812 806
Construction contracts – contract assets	**471 413 287**	**382 787 570**	**5 164 173**	**859 365 030**
Trade receivables				
Project at an early to advanced stage of completion	1 911 653	64 049 788	–	65 961 441
Project backed by a financial institution at an early to advanced stage of completion	15 140 738	–	–	15 140 738
Specific exposure	47 182 598	12 143 545	–	59 326 143
Trade receivables	**64 234 989**	**76 193 333**	**–**	**140 428 322**



Nasrec Memorial Park

2. General information (continued)

2.10 Financial instruments (continued)

2.10.2 Impairment (continued)

The rates applied in the previous financial year is as follows:

	2023		
	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure
Rates to be utilised for the ECLs			
New projects/projects undertaken with higher exposure to government	7.72%		
Project at an early to advanced stage of completion	2.12% – 5.18%	2.12% – 6.02%	
Project backed by a financial institution at an early to advanced stage of completion	2.12% – 5.18%		1.04%
Specific exposure	0% – 100%	0% – 100%	0% – 100%

The relevant government institution exposure rate is determined by the exposure being of national government or a local municipality. Should the exposure be to a local municipality the relevant rate would be higher compared to national government.

The concentration of gross carrying amount of financial assets relevant to the applicable ECL rates are as follows:

	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Loans to joint ventures				
New projects with significant government exposure	43 492 001	–	–	43 492 001
Project at an early to advanced stage of completion	–	338 572 499	–	338 572 499
Project backed by a financial institution at an early to advanced stage of completion	–	–	5 083 442	5 083 442
Loans to joint ventures	43 492 001	338 572 499	5 083 442	387 147 942
Construction contracts – contract assets				
Project at an early to advanced stage of completion	92 259 755	60 066 154	–	152 325 909
Project backed by a financial institution at an early to advanced stage of completion	125 828 598	–	344 617	126 173 215
Specific exposure	31 930 745	395 255 777	–	427 186 522
Construction contracts – contract assets	250 019 098	455 321 931	344 617	705 685 646
Trade receivables				
Project at an early to advanced stage of completion	46 008 606	67 118 401	–	113 127 007
Project backed by a financial institution at an early to advanced stage of completion	–	68 500	–	68 500
Specific exposure	44 107 631	6 681 187	–	50 788 818
Trade receivables	90 116 237	73 868 088	–	163 984 325

The Group considers a financial asset to be credit impaired when one or more events have occurred:

- Financial difficulty being faced by the customer making it unlikely to receive payment;
- Liquidation or business rescue proceedings being instituted against a customer; and
- Significant downgrading of a credit rating of a customer.

2. General information (continued)

2.10 Financial instruments (continued)

2.10.2 Impairment (continued)

Should the Group determine that a financial asset is credit impaired, it is excluded from that grouping for the purpose of calculating the ECL. A specific ECL rate is determined based on the assessment of the individual circumstances relevant to that financial asset and the events that lead to the credit impairment.

Financial assets are fully impaired when all efforts to collect the outstanding balance has been exhausted.

The Group holds the following categories of financial assets (pre ECL balance) and financial liabilities:

Financial assets

		2024	2023
Financial assets at amortised costs			
Cash and cash equivalents	Note 5	**122 638 021**	172 614 330
Trade and other receivables	Note 6	**140 428 322**	163 984 325
Construction contracts – contract assets	Note 8	**859 365 030**	705 685 646
Loans to joint ventures	Note 9	**421 741 767**	387 147 942
		1 544 173 140	1 429 432 243
Financial assets at fair value through profit and loss			
Investments	Note 12	**16 769 513**	14 894 959
		16 769 513	14 894 959

Reconciliation of expected credit losses on financial assets at amortised cost – 2024

		Expected credit loss model applied	Opening balance 1 March 2023	Current year movement	Closing balance 29 February 2024
Cash and cash equivalents	Note 5	General	–	–	–
Trade and other receivables	Note 6	Lifetime	8 480 507	(1 525 774)	6 954 733
Construction contracts – contract assets	Note 8	Lifetime	6 897 141	3 477 163	10 374 304
Loans to joint ventures	Note 9	General	15 675 626	3 643 858	19 319 484
			31 053 274	5 595 247	36 648 521

Reasons for the current year movements in the ECL balance

	Gross carrying amounts 2024	ECL provision 2024	Gross carrying amounts 2023	ECL provision 2023	(Increase)/ decrease in ECL
Trade and other receivables	**140 428 322**	**(6 960 066)**	163 984 325	(8 480 507)	**1 520 441**
Construction contracts – contract assets	**859 365 030**	**(10 374 304)**	705 685 646	(6 897 141)	**(3 477 163)**
Loans to joint ventures	**421 741 767**	**(19 319 484)**	387 147 942	(15 675 626)	**(3 643 858)**
	1 421 535 119	**(36 653 854)**	1 256 817 913	(31 053 274)	**(5 600 580)**

The Group has assessed that cash and cash equivalents has no ECL provision, due to the fact that cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

- The main reason for the decrease in trade and other receivables relates to a decrease in debtors balances with government institutions exposure when compared to the prior year.
- This is partially offset by the increase in the Yara Trust loan receivable which increased by R4 million due to additional trading transactions.
- The expected credit loss allowance decreased due to the decrease in the balance of trade and other receivables (before applying the expected credit loss allowance).

2. General information (continued)

2.10 Financial instruments (continued)

2.10.2 Impairment (continued)

Construction contracts – contract assets

- The overall provision increased due to the overall increase in the construction contracts balance.
- The balance of construction contracts are expected to fluctuate depending on the type of units under construction at any given stage. Large volumes of sectional title units under construction will result in the balance increasing and once the units are registered and handed over to the end-user, the balance will decrease dramatically at that point. In the current year, a number of sectional title units in Belhar, Fleurhof and Jabulani still had to be transferred at year-end, which contributed to the increase in the overall balance.
- The expected credit loss allowance increased due to the increase in the balance of construction contracts (before applying the expected credit loss allowance).

Loans to joint ventures

- The overall balance increased due to an increase of R22 million of the loans to Witpoortjie Calgro M3 Development Company (Pty) Ltd and an increase of R12 million of the loan to Bankenveld District City (Pty) Ltd. These increases are due to normal trading activities.
- The expected credit loss allowance increased due to the increase in the balance of loans to joint ventures (before applying the expected credit loss allowance).

2023 financial year

Reconciliation of expected credit losses on financial assets at amortised cost – 2023

		Expected credit loss model applied	Opening balance 1 March 2022	Current year movement	Closing balance 28 February 2023
Cash and cash equivalents	Note 5	General	–	–	–
Trade and other receivables	Note 6	Lifetime	7 414 492	1 066 015	8 480 507
Construction contracts – contract assets	Note 8	Lifetime	5 135 140	1 762 001	6 897 141
Loans to joint ventures	Note 9	General	12 846 182	2 829 444	15 675 626
			25 395 814	5 657 460	31 053 274

Reasons for the prior year movements in the ECL balance

The Group has assessed that cash and cash equivalents has no ECL provision, due to the fact that cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

- The increase relates to the R5 million outstanding balance from the sale of the Safdev Tanganani (Pty) Ltd joint venture.
- The remaining increase relates to the Yara Trust loan receivable which increased by R7 million due to additional trading transactions.
- This is partially offset by a reduction due to an improvement in the overall recoverability of monies received, mainly within the Fleurhof and Belhar projects.
- The ECL provision on the outstanding receivable from the sale of investment in MS5 Pennyville (Pty) Ltd was reassessed and a specific risk exposure ECL rate was applied.

Construction contracts – contract assets

- The overall provision increased due to the overall increase in the construction contracts balance.
- The balance of construction contracts are expected to fluctuate depending on the type of units under construction at any given stage. Large volumes of sectional title units under construction will result in the balance increasing and once the units are registered and handed over to the end-user, the balance will decrease dramatically at that point.

In the current year, new developments under construction and a number of sectional title units in Belhar and Fleurhof still had to be transferred at year-end, which contributed to the increase in the overall balance.

Loans to joint ventures

- The overall balance decreased due to the sale of Safdev Tanganani (Pty) Ltd and the remaining interest in 32 on Pine Property Development (Pty) Ltd. This reduced the loan balances by an amount of R68.9 million. This was partially offset by an increase in the balances due to normal trading activities.

Financial liabilities

		2024	2023
Financial liabilities at amortised cost			
Trade and other payables**	Note 18	**201 175 243**	237 240 302
Borrowings	Note 19	**934 796 142**	876 362 327
		1 135 971 385	1 113 602 629

** *Excluding non-financial liabilities.*

3. Risk management

3.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Executive Committee that identifies and evaluates financial risks, in close cooperation with the Group's Board of Directors that are responsible for overall risk management, as well as guidance that cover specific areas, such as interest rate risk and credit risk, and investment of excess funds.

(a) Market risk (cash flow interest rate risk)

The Group's interest rate risk arises mainly from its borrowings (refer to note 19).

The interest rate exposure is monitored and managed by the Executive Committee and will not be hedged to limit interest rate risk. The Executive Committee monitors the cash flows relating to borrowings, interest-bearing loans, interest-bearing trade payables and interest-bearing trade receivables, i.e. interest paid or received, more so than the changes in the interest rate. Refer to the statement of cash flows for more information on interest paid and interest received.

The impact on post-tax profit of a 2% shift in the interest rate would be a maximum increase/decrease of:

	2024	2023
2% increase/(decrease) on finance charges on interest-bearing borrowings	**13 648 024**	12 681 275
2% increase/(decrease) on finance income on interest-bearing assets	**5 008 653**	4 323 283

A 2% shift is considered appropriate by management taking into account the current economic environment in which the Group operates.

(b) Credit risk

Credit risk consist mainly of contract assets, loans to joint ventures, cash deposits and cash equivalents and trade and other receivables (including retention debtors). The Group only deposits cash with major banks with a minimum rating of 'BB' and limits the exposure to any one counter party. Trade and other receivables comprise a widespread customer base. Customers include government institutions, private sector entities and individuals. Management evaluates credit risk relating to trade debtors (excluding trade receivables owing by joint ventures) on an ongoing basis taking into account their financial position, past experience and other factors. Credit risk is limited due to the nature of trade debtors which consist of outstanding draw downs from banks and government institutions. In cases where management deems the risk level to be unacceptable, payment guarantees or collateral are insisted upon.

The Group considers its credit risk relating to the loans and trade receivables owing by joint ventures on a case by case basis. Any credit risk related to loans to joint ventures is mitigated by the fact that management has insight into the financial position of the joint ventures as a result of the joint venture relationship.

For loans to joint ventures, loan receivables, trade and other receivables (including retention debtors), and cash and cash equivalents, the maximum exposure to credit risk is limited to what is disclosed in the statement of financial position.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, as well as the availability of funding through an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, the Executive Committee maintains flexibility in funding by maintaining availability under committed credit lines.

The Group manages liquidity risk by monitoring forecasted cash flows.

The Group strives to match the maturity profile of borrowings with expected cash flows from the development projects.

A specific liquidity risk associated with the Group is the raising of loans at specified dates of repayment, against delivery of construction projects that have the same maturity profile.

The related cash inflows from these construction projects are however uncertain and dependent on factors not under the control of the Group.

The financial liabilities to be settled within one year will be funded by cash and cash equivalents as well as the realisation of trade and other receivables and construction contracts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining years at the reporting year date to the contractual maturity date.

3. Risk management (continued)

3.1 Financial risk management (continued)

(c) Liquidity risk (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows which include future interest payable. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
2024						
Financial instruments recognised in the statement of financial position						
Borrowings (including future interest)	**328 665 227**	**293 754 139**	**215 572 379**	**265 378 819**	**197 418 143**	**1 300 788 708**
Trade and other payables	**181 301 579**	**5 167 147**	**5 484 698**	**5 821 792**	**16 116 677**	**213 891 893**
	509 966 806	**298 921 286**	**221 057 077**	**271 200 611**	**213 534 820**	**1 514 680 601**
2023						
Financial instruments recognised in the statement of financial position						
Borrowings (including future interest)	360 498 207	271 712 595	192 343 865	117 602 198	154 136 671	1 096 293 536
Trade and other payables	232 591 228	5 594 980	2 898 604	–	–	241 084 812
	593 089 435	277 307 575	195 242 469	117 602 198	154 136 671	1 337 378 348

The above amounts will be repaid by utilising cash generated from operations, available cash, working capital facilities and the refinancing of borrowings.

The Group has overdraft facilities with major banks to the value of R100 000 000 (February 2023: R100 000 000). The balance of the utilisation of the overdraft facility at the year-end was Rnil (February 2023: Rnil). In addition to the overdraft facility available, the Group has an additional undrawn facility of R100 000 000 available at year-end. The Group has not drawn down on the facility at the end of the current financial year.

3. Risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Management's intention is to use debt as a means to fund operations rather than to raise more capital.

The Group monitors capital on the basis of its net debt/equity ratio. The maximum allowed net debt/equity ratio for the Group is 1.5:1.

Net debt/equity ratio
This ratio is calculated as net debt divided by equity. net debt is calculated as total interest-bearing borrowings less cash and cash equivalents. Equity is calculated as the total equity per the statement of financial position (excluding share-based payment reserve).

		2024	2023
Net debt			
Borrowings	Note 19	**934 796 142**	876 362 327
Other interest-bearing borrowings		**–**	4 281 756
Less: Cash and cash equivalents	Note 5	**(122 638 021)**	(172 614 330)
		812 158 121	708 029 753
Equity			
Stated capital		**31 610 096**	102 080 971
Retained income		**1 251 252 682**	1 040 813 265
		1 282 862 778	1 142 894 236
Net debt/equity ratio		**0.63**	0.62

The Group monitors capital repayments and interest serviceability on the basis of its debt service cover ratio ("DSCR"). The minimum allowed DSCR ratio for the Group is 1.2.

Debt service cover ratio ("DSCR")
This ratio is calculated as available cash flow divided by debt service requirement. Available cash flow is calculated as cash generated from/(utilised in) operating activities plus new financial indebtedness incurred plus cash and cash equivalent at the beginning of the year less the aggregate amount spent on the purchase of property, plant and equipment, purchase of intangible assets, acquisition of businesses, acquisition of subsidiaries, and loans advanced to joint ventures for investment purposes (Capex).

Debt service requirement is calculated as interest and fees plus principal repayments.

		2024	2023
Available cash flow			
Cash generated from operating activities	Note 30	**149 245 922**	89 638 658
New financial indebtedness incurred		**288 000 000**	230 000 000
Cash and cash equivalent – beginning of year		**172 614 330**	191 114 249
Capex		**(120 874 660)**	(52 695 855)
		488 985 592	458 057 052
Debt service requirement			
Interests and fees		**(111 400 297)**	(90 374 618)
Principal repayments		**(232 800 000)**	(194 800 000)
		(344 200 297)	(285 174 618)
Debt service cover ratio ("DSCR")		**1.42**	1.61

Refer to the consolidated statement of cash flows for the above balances.

3. Risk management (continued)

3.2 Capital risk management (continued)

The Group monitors capital on the basis of its liquidity ratio. The minimum allowed liquidity ratio for the Group is 1.2:1.

Liquidity ratio
This ratio is calculated as the ratio of current assets to current liabilities as defined.

Current assets have been defined as cash and cash equivalents, trade and other receivables, construction contracts, current tax receivable, inventories and loans to joint ventures.

Current liabilities have been defined as trade and other payable, current tax liabilities and borrowings.

	2024	2023
Current assets		
Cash and cash equivalents	**122 638 021**	172 614 330
Trade and other receivables	**140 409 757**	164 010 749
Current income tax assets	**212 247**	362 290
Construction contracts	**1 355 384 620**	1 162 393 952
Loans to joint ventures	**402 422 283**	371 472 316
Inventories	**503 385 249**	498 540 794
	2 524 452 177	2 369 394 431
Current liabilities		
Trade and other payables	**290 924 698**	360 504 294
Current income tax liabilities	**581 106**	633 442
Borrowings	**934 796 142**	876 362 327
	1 226 301 946	1 237 500 063
Liquidity ratio	**2.06**	1.91

Refer to the consolidated statement of financial position for the above balances.

Funding requirements
The Group monitors capital from Proparco on the basis of its debt service cover ratio and its net debt/equity ratio (as above). The minimum allowed debt service cover ratio for the Group is 1.2 and the maximum net debt/equity ratio is 1.5:1.

4. Fair values

Financial instruments
To determine the fair value of the financial instruments, future contractual cash flows are discounted using current market interest rates available to the Group for similar financial instruments.

With the exception of the Group's borrowings and investments, the financial instruments' carrying values approximates their fair values, due to the short-term nature of the instruments.

These investments (refer to note 12) are accounted for at fair value through profit or loss.

Fair value table
The table below analyses the valuation levels used to determine the fair values of the applicable line items in the statement of financial position.

Level No	Level definition
1.	Quoted prices (unadjusted) in active markets for identical assets or liabilities
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)
3.	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

4. Fair values (continued)

Fair value table (continued)

Comparison of carrying and fair values of applicable line items in the statement of financial position:

		Carrying values		Fair value Level 2		Fair value Level 3	
		2024	2023	**2024**	2023	**2024**	2023
Assets							
Trade and other receivables	Note 6	**140 428 322**	163 984 325			**140 428 322**	163 984 325
Loans to joint ventures	Note 9	**421 741 767**	387 147 942			**421 741 767**	387 147 942
Investments#	Note 12	**16 769 513**	14 894 959			**16 769 513**	14 894 959
Investment property	Note 14	**22 147 091**	19 947 022			**22 147 091**	19 947 022
Liabilities							
Trade and other payables	Note 18	**201 175 243**	237 240 302			**201 175 243**	237 240 302
Borrowings – Bond Exchange	Note 19	**370 603 922**	415 472 575	**375 256 533***	420 330 464*	**–**	–
Borrowings – other	Note 19	**564 192 220**	460 889 752			**564 192 220**	460 889 752

\# *Based on prices for unit trusts held by reputable financial institutions containing local equity instruments, bonds and cash.*
* *Based on quoted prices on the Bond Exchange.*

Other borrowings are carried at amortised cost which approximates the fair value.

The carrying values for loans to and from joint ventures, trade and other receivables and trade and other payables are a reasonable approximation of their fair value. The balances exclude any non-financial instruments. Refer to note 2.10 for details on financial instruments.

Non-financial instruments

The fair value measurement for investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used. The value of investment properties as at 29 February 2024 was determined by management using the discounted cash flow ("DCF") method. This method takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to prevailing market levels. Properties are valued by discounting the expected future net income for a specific period at an appropriate discount rate to give the present value of the expected net income cash flow. The net income is determined taking into account the gross income, vacancies and lease obligations from which is deducted all normalised operating expenditure.

5. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand and deposits held on call with banks and are measured at amortised cost.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2024	2023
Cash on hand	**2 830**	3 549
Bank balances	**122 635 191**	172 610 781
	122 638 021	172 614 330

6. Trade and other receivables

Accounting policy

Trade receivables are financial assets measured at amortised cost. Refer to the financial instruments accounting policy in note 2.10 for further information.

Credit terms of external trade receivables and trade receivables with related parties are generally 30 days from statement date.

Significant estimates and judgements

The Group applies an expected credit loss provision ("ECL") on the financial asset balances. Refer to note 2.10.2 for the relevant method and judgement applied.

	2024	2023
Financial instruments		
Trade receivables – total	**80 304 504**	106 977 125
Trade receivables – third parties	**69 178 771**	94 406 689
Retention debtors – third parties	**–**	6 502 470
Third parties – trade receivables and retention debtors	**69 178 771**	100 909 159
Trade receivables – related parties	**11 125 733**	6 067 966
Other receivables#	**25 220 285**	18 612 547
Receivable from sale of investment*	**34 238 949**	37 567 585
Securing deposits◊	**664 584**	827 068
Gross financial instruments	**140 428 322**	163 984 325
Expected credit loss allowance	**(6 954 733)**	(8 480 507)
Total net financial instruments	**133 473 589**	155 503 818
Non-financial instruments		
Value added tax	**6 936 168**	8 506 931
Total non-financial instruments	**6 936 168**	8 506 931
Total trade and other receivables	**140 409 757**	164 010 749
Trade and other receivables to be realised within 12 months	**114 524 888**	144 571 134
Trade and other receivables to be realised after 12 months	**25 884 869**	19 439 615
	140 409 757	164 010 749

The majority of the remaining balance relates to the Yara Trust loan receivable balance of R21.4 million (2023: R17.4 million), which accrues interest at the prime lending rate. The loan is unsecured and has no fixed repayment dates.

* *This relates to the outstanding receivable for the sale of MS5 Pennyville (Pty) Ltd which accrues interest at 20% on a monthly basis. The amount is repayable by 31 July 2025.*

◊ *Deposits paid to secure land for future projects in the prior years.*

Trade receivables and retention debtors fully performing

At 29 February 2024, trade receivables and retention debtors of R39 913 760 (2023: R39 366 821) were fully performing.

Trade receivables and retention debtors from related parties

	2024	2023
South Hills Development Company (Pty) Ltd	**10 981 879**	5 924 112
Witpoortjie Calgro M3 Development Company (Pty) Ltd	**143 854**	143 854
Total	**11 125 733**	6 067 966

Trade receivables and retention debtors owing from related parties were granted in the normal course of business within the Group's operating cycle.

The due dates for amounts are determined specifically for each related party. Management of the Group has insight into the financial position of all joint ventures as at 29 February 2024 and does not believe that there are indicators that these amounts are impaired at year-end. The Group does however raise expected credit loss provisions on the receivable balances. These receivables bear interest at market-related rates. Please refer to note 10 for summarised financial information as well as detailed analysis of joint venture relationships.

Trade receivables and retention debtors – third parties past due but not impaired

At 29 February 2024, trade receivables and retention debtors of R40 390 745 (2023: R39 366 821) were past due but not impaired.

A relevant expected credit loss provision has been raised for trade receivables. Refer to note 2.10.2.

Ageing of trade receivables and retention debtors – third parties

	Other debtors	
	2024	2023
Less than 30 days	**28 788 026**	61 542 338
30 days and older	**40 390 745**	39 366 821
Total	**69 178 771**	100 909 159

The maximum exposure to credit risk for these instruments at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security for trade and other receivables, other than as disclosed above. Refer to note 2.10.2 for details of financial instruments.

7. Current income tax assets/(current income tax liabilities)

	2024	2023
Opening balance	**(271 152)**	1 717 248
Local income tax – current year (note 29)	**(3 585 625)**	(7 186 241)
Payments/(refunds) during the current year (note 31)	**3 487 918**	5 197 841
Closing balance	**(368 859)**	(271 152)
Current income tax receivable	**212 247**	362 290
Current income tax liabilities	**(581 106)**	(633 442)
	(368 859)	(271 152)

8. Construction contracts

Accounting policy

The accounting policy for construction contracts needs to be read in conjunction with the accounting policy for revenue in note 21.

Construction contracts consist of both contract assets and cost incurred to be allocated to future contract assets when the Group enters into an agreement with a customer.

Future cost to be allocated to contract assets are cost incurred on the development of land which includes cost such as direct labour, materials, professional/consulting services, commissions and allocation of overhead cost which relate directly to the development of the land. These costs are only allocated to the individual units when a contract is entered into with a customer to purchase the relevant unit.

Contract assets arise on the basis that cost are incurred to satisfying performance obligations, the related payment and timing is determined based on each individual contract. These costs include costs to fulfil a contract and includes costs such as direct labour, materials, professional/consulting services, commissions and allocation of overhead costs which relate directly to satisfy performance obligations of the contract. Contract assets are recovered from the customer when the relevant performance obligations are completed and payment can be obtained from the customer.

If costs are incurred on a contract without a corresponding payment received it is shown as a contract asset at the reporting period, if the customer has paid in advance for performance obligations to be satisfied it's shown as a contract liability within trade and other payables (refer to note 18).

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

Costs incurred during the year related to future activity on a contract are excluded from contract assets. They are presented as cost incurred to be allocated to future contract assets, depending on their nature that will be assessed on a case-by-case basis.

The Group presents as an 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 that are invoiced but not yet paid by customers as well as retentions are included within 'trade and other receivables' (refer to note 6).

The transaction price for each performance obligation is the contractually stipulated price and represents the stand-alone selling price at the time when the contract is entered into with the customer.

Significant estimates and judgements

The Group uses the 'percentage-of-completion' method (also known as the input method) in accounting for its 'over time' construction contracts where control is transferred to a customer over a period of time. Use of the 'percentage-of-completion' method requires the Group to estimate the construction services and activities performed to date as a proportion of the total services and activities to be performed. The Group performs this by comparing actual cost incurred on a unit/dwelling/project compared to the forecasted cost of the unit/dwelling/project which equates to the percentage of work completed ("percentage of completion"). The corresponding percentage of revenue is then recognised in that period.

The Group allocates non-unit specific cost (future contract costs) which includes land, infrastructure, town planning and other project-related cost based on approved feasibilities. Estimates are made by management to calculate the forecasted cost of a project which includes non-unit specific cost to be allocated to units as and when they are constructed. The estimates used are in terms of an approved feasibility study. Refer to note 21 for further details on how management forecasts are prepared and approved.

The Group applies an expected credit loss provision ("ECL") on the contract asset balances. Refer to note 2.10.2 for the relevant method and judgement applied.

8. Construction contracts (continued)

		2024	2023
Net statement of financial position balance for ongoing contracts – opening balance		**1 145 654 749**	861 178 458
The aggregate costs incurred and recognised profits for the current year		**1 206 267 010**	1 141 608 069
Less: Progress billings for the current year		**(999 867 635)**	(857 131 778)
Net statement of financial position balance for ongoing contracts – closing balance		**1 352 054 124**	1 145 654 749
Excess billings over work done classified under trade and other payables	Note 18	**13 704 800**	23 636 344
Provisions for expected credit losses on contract assets		**(10 374 304)**	(6 897 141)
Gross statement of financial position balance for ongoing contracts – closing balance		**1 355 384 620**	1 162 393 952
Construction contracts to be realised within 12 months		**534 701 337**	600 711 350
Construction contracts to be realised after 12 months		**820 683 283**	561 682 602
		1 355 384 620	1 162 393 952

Disaggregated construction contracts – gross of expected credit loss provisions

	2024	2023
Infrastructure – contract assets	**393 568 766**	129 543 535
Fully and partially subsidised units – contract assets	**400 324 429**	440 402 318
Non-subsidised units – contract assets	**61 916 585**	113 790 968
Serviced land – contract assets	**3 555 250**	21 948 825
Contract assets	**859 365 030**	705 685 646
Future contract asset costs		
Development cost for future contract assets#	**506 393 894**	463 605 447
	1 365 758 924	1 169 291 093
Reconciliation of construction contracts		
Contract assets	**859 365 030**	705 685 646
Expected credit loss allowance	**(10 374 304)**	(6 897 141)
Development cost for future contract assets#	**506 393 894**	463 605 447
Statement of financial position balance for construction contracts	**1 355 384 620**	1 162 393 952

\# *As part of the developments, there are certain costs incurred in the current year that will only be allocated to contracts with specific performance obligations in the future. These costs are disclosed as "Development cost for future contract assets" as part of the construction contracts balance. These costs, therefore, are a form of inventory but have no related contract with a customer yet due to the long-term nature of property development. Therefore these activities have no revenue or profit impact and as such, have been excluded from the input method when calculating the percentage of completion. The costs incurred for future contract assets is accounted for as part of the construction contracts balance due to the nature of the expenses (property development), but they are not treated as contract assets on which profit and expected credit losses are recognised.*

The normal operating cycle for construction contracts is considered to be longer than 12 months.

The expected aggregate revenue still to be recognised on the contract asset balance is currently in excess of R1 355 384 620.

Borrowing costs to the value of R60 547 379 (2023: R38 575 456) have been capitalised (note 28).

9. Loans to joint ventures

Accounting policy
These loans are recognised initially at fair value plus direct transaction costs and subsequently measured at amortised cost.

Significant estimates and judgements
The Group applies an expected credit loss provision ("ECL") on the joint venture loan balances using the general approach. Refer to note 2.10.2 for the relevant judgements applied.

	Interest rate	Expected repayment date	2024	2023
Loans to joint ventures				
South Hills Development Company (Pty) Ltd (unsecured)	Prime plus 2%	28 February 2025	**5 558 259**	4 950 935
Table View Properties (Pty) Ltd (unsecured)	Prime plus 2%	28 February 2029	**149 794**	132 507
Witpoortjie Calgro M3 Development Company (Pty) Ltd (unsecured)	Prime plus 2%	28 February 2028	**326 224 644**	289 076 588
Witpoortjie Calgro M3 Development Company (Pty) Ltd (unsecured)	Interest free	28 February 2025	**34 431 938**	49 495 911
Bankenveld District City (Pty) Ltd (unsecured)	Interest free	28 February 2025	**55 377 132**	43 492 001
Principal loan amounts			**421 741 767**	387 147 942
Expected credit loss allowance			**(19 319 484)**	(15 675 626)
Loans to joint ventures			**402 422 283**	371 472 316
Principal loan amounts				
Loans to be realised within 12 months			**95 367 329**	97 938 847
Loans to be realised after more than 12 months			**326 374 438**	289 209 095
			421 741 767	387 147 942

Please refer to note 2.10.2 for ECLs (expected credit losses) provided for on loans to joint ventures. Expected credit losses take into account the expected credit losses that will result from all possible default events over the expected life of a financial asset.

10. Investment in joint ventures (continued)

Accounting policy

Joint ventures are companies in which the Group has an investment where it, along with one or more other shareholders, has contractually agreed to share control of the business and where the decisions about relevant activities require the unanimous consent of the joint investment partners. In both cases, the Group equity accounts these investments resulting in the Group's statement of comprehensive income reflecting its share of the entity's profit or loss after tax and the statement of financial position records the Group's share of the net assets.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures, unless the transaction provides evidence of an impairment of the asset transferred.

Significant judgement and source of estimation uncertainty

The Group holds more than 50% of the shareholding in two of these entities. Refer below to the judgements management exercised in determining whether or not it has joint control over the various entities.

	% voting power 2024	% voting power 2023	**% holding 2024**	% holding 2023	**Carrying amount 2024**	Carrying amount 2023
Joint ventures						
Witpoortjie Calgro M3 Development Company (Pty) Ltd^#	**50.00%**	50.00%	**80.00%**	75.83%	**1 000 000**	–
South Hills Development Company (Pty) Ltd^@	**50.00%**	50.00%	**57.50%**	57.50%	**41 421 244**	31 991 549
Table View Properties Proprietary Limited*	**50.00%**	50.00%	**54.17%**	50.00%	**25 900 000**	20 000 000
Bankenveld District City (Pty) Ltd~	**50.00%**	50.00%	**50.00%**	50.00%	**–**	–
					68 321 244	51 991 549

^ *Although the Group has majority shareholding in these entities, it does not have control of the Company as the Board comprises an equal number of representatives from both the Group as well as the minority shareholder. Both parties have equal voting rights, irrespective of the percentage shareholding or representation on the Board of Directors. Any decision regarding the relevant activities of these entities that significantly affect the returns of the entity are made with the unanimous consent of both parties.*

On 1 April 2023, the Group increased its shareholding in the Witpoortjie joint venture by R1 000 000. The increase in shareholding had no change in control.

@ *Although the Group holds 57.5% of the shareholding in South Hills Development Company (Pty) Ltd, it only equity accounts for 42.5% as 15% of the shareholding and related profits/(losses) have been ceded to a third party.*

* *On 15 March 2023, the Group increased its shareholding in the Table View joint venture by R5 900 000. The increase in shareholding had no change in control. The Group has a 54.17% shareholding in this entity and it does not have control of the company as both parties have equal voting rights, and representation on the Board of Directors. Any decision regarding the relevant activities of this entity that significantly affects the returns of the entity are made with the unanimous consent of both parties.*

~ *The Group has a 50% shareholding in these entities and it does not have control of the companies as both parties have equal voting rights, and representation on the Board of Directors. Any decision regarding the relevant activities of these entities that significantly affects the returns of the entities are made with the unanimous consent of both parties.*

The Group only shares in the above joint venture's net assets, as opposed to having a direct rights to the assets and obligations for the liabilities.

The joint ventures are managed by Steering Committees that contain an equal number of representatives from both the Calgro M3 Group as well as the other shareholders.

10. Investment in joint ventures (continued)

The Steering Committees meet on a regular basis to discuss the relevant activities of the project. These activities include the authorisation of budgets, project feasibilities, cash flow forecasts, distributions, potential variation orders, cost over runs, determination of sales prices and the appointment of all contractors and professional teams. Any decisions related to the relevant activities that significantly affect the returns of the entity need to carry the unanimous consent of both joint venture partners, irrespective of the number of representatives a party has on the Steering Committee or directorate of the respective company.

Other than loans to joint ventures (note 9), trade and other receivables (note 6) and related party transactions (note 35) which arose in the ordinary course of business, the Calgro M3 Group has no further financial risks associated with these joint ventures.

The Group has no obligation to carry losses over and above its investment into the joint ventures.

The projects which are managed by each joint venture are as follows:

Name of company	**Name of project**	Segment
Witpoortjie Calgro M3 Development Company (Pty) Ltd	Witpoortjie	Residential Property Development
South Hills Development Company (Pty) Ltd	South Hills	Residential Property Development
Table View Properties (Pty) Ltd	Vredehoek	Residential Property Development
Bankenveld District City (Pty) Ltd	Bankenveld District City project	Residential Property Development

The place of business for all joint ventures is South Africa.

The functional currency of all joint ventures are South African Rands.

All the year-ends of joint ventures, except for Bankenveld District City (Pty) Ltd, are consistent with those of the Group.

Bankenveld District City (Pty) Ltd's year end is 30 June, however the February 2024 results are recognised.

Summary of share of profit/(loss) of joint ventures – from the statement of comprehensive income below:

	2024	2023
Companies currently accounted for as joint ventures		
Witpoortjie Calgro M3 Development Company (Pty) Ltd	**–**	–
South Hills Development Company (Pty) Ltd	**9 429 695**	5 386 925
Table View Properties (Pty) Ltd	**–**	–
Bankenveld District City (Pty) Ltd*	**–**	–
	9 429 695	5 386 925

* *Although Bankenveld District City (Pty) Ltd has generated an accumulated profit, Calgro M3 has not recognised its share of the profits as at the end of the financial year, the option to purchase the land has not been exercised.*

10. Investment in joint ventures (continued)

	Witpoortjie Calgro M3 Development Company (Pty) Ltd		South Hills Development Company (Pty) Ltd	
	2024	2023	**2024**	2023
Statement of financial position				
Assets				
Cash and cash equivalents	**1 202**	1 000	**4 739**	4 739
Trade and other receivables	**12 683 316**	14 942 696	**8 838 111**	2 168 180
Current income tax asset	**–**	–	**5 554**	22 203
Inventories/construction contracts	**397 503 086**	372 136 896	**298 284 824**	207 378 233
Deferred income tax asset	**60 228**	60 228	**–**	–
Total assets	**410 247 832**	387 140 820	**307 133 228**	209 573 355
Equity and liabilities				
Equity				
Share capital	**–**	–	**120**	120
Retained income/(accumulated loss)	**185 951**	(61 324)	**97 461 750**	75 274 115
	185 951	(61 324)	**97 461 870**	75 274 235
Liabilities				
Bank overdraft	**–**	–	**38 496 689**	6 431 881
Trade and other payables	**309 063**	309 065	**22 911 164**	20 369 529
Current income tax liabilities	**200 701**	109 244	**–**	–
Borrowings	**48 895 535**	48 211 336	**100 009 658**	–
Loans from shareholders	**360 656 582**	338 572 499	**10 999 118**	78 447 205
Deferred income tax liability	**–**	–	**37 254 729**	29 050 505
Total liabilities	**410 061 881**	387 202 144	**209 671 358**	134 299 120
Total equity and liabilities	**410 247 832**	387 140 820	**307 133 228**	209 573 355
Statement of comprehensive income				
Revenue	**26 561 361**	22 656 388	**71 810 431**	118 513 874
Cost of sales	**(26 220 498)**	(16 386 674)	**(51 104 939)**	(103 117 765)
Gross profit	**340 863**	6 269 714	**20 705 492**	15 396 109
Other income	**–**	–	**11 848**	29 600
Administrative expenses	**(3 495)**	(14 383)	**(3 841)**	(3 627)
Net expected credit losses on financial and contract assets	**–**	–	**1 166 187**	2 405 469
Finance income	**1 364**	262	**–**	7 136
Finance costs	**–**	–	**–**	–
Profit before tax	**338 732**	6 255 593	**21 879 686**	17 834 687
Taxation	**(91 457)**	(1 753 796)	**(5 907 515)**	(3 917 768)
Profit after taxation	**247 275**	4 501 797	**15 972 171**	13 916 919
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income	**247 275**	4 501 797	**15 972 171**	13 916 919

	Witpoortjie Calgro M3 Development Company (Pty) Ltd		South Hills Development Company (Pty) Ltd	
	2024	2023	**2024**	2023
Reconciliation of financial information				
Reconciliation of the information presented to the carrying amount of its interest in the joint venture.				
Summarised financial information				
Opening net (liabilities)/assets at 1 March	**(61 324)**	(4 563 119)	**75 274 235**	62 599 115
Opening balance adjustment to retained earnings	**–**	–	**6 215 464**	(1 241 799)
Dividend declared	**–**	–	**–**	–
Profit after tax	**247 275**	4 501 795	**15 972 171**	13 916 919
Closing net assets/(liabilities)	**185 951**	(61 324)	**97 461 870**	75 274 235
Interest in joint venture at 75.83% and 42.5%	**141 007**	(46 502)	**41 421 244**	31 991 549
Loss limitation	**(141 007)**	46 502	**–**	–
Increase in investment	**1 000 000**	–	**–**	–
Carrying value	**1 000 000**	–	**41 421 244**	31 991 549
Reconciliation of investment in joint venture				
At 1 March	**–**	–	**31 991 549**	26 604 624
Share of opening balance adjustment to retained earnings	**–**	–	**2 641 522**	(527 765)
Share of profit	**–**	–	**6 788 173**	5 914 691
Net share of profit for the current year (limited to carrying amount of investment)	**–**	–	**9 429 695**	5 386 925
Increase in investment	**1 000 000**	–	**–**	–
Net carrying value	**1 000 000**	–	**41 421 244**	31 991 549
The impact of the cash flows on the Group consists of the following:				
Cash (outflow)/inflow from construction activities (net movement in trade debtors)	**–**	(118 330)	**(5 057 767)**	2 932 276
Cash outflow from investing activities	**(1 000 000)**	–	**–**	–
Cash inflow for loans from joint ventures	**88 713 016**	13 172 134	**276 799**	–
Cash outflow for loans to joint ventures	**(150 797 099)**	(55 799 604)	**(39 558 502)**	–
Net cash flows on the Group from joint ventures	**(63 084 083)**	(42 745 800)	**(44 339 470)**	2 932 276

10. Investment in joint ventures (continued)

	Table View Properties (Pty) Ltd		Bankenveld District City (Pty) Ltd	
	2024	2023	**2024**	2023
Detailed statement of financial position				
Assets				
Cash and cash equivalents	**855**	1 550	**928 193**	1 788 607
Trade and other receivables	**5 000 000**	5 006 252	**93 092**	16 790
Inventories	**–**	–	**113 645 754**	88 301 527
Deferred income tax asset	**28 822**	22 279	**–**	–
Total assets	**5 029 677**	5 030 081	**114 667 039**	90 106 924
Equity and liabilities				
Equity				
Share capital	**5 000 000**	5 000 000	**–**	–
(Accumulated loss)/retained income	**(120 117)**	(102 426)	**2 841 876**	2 068 138
	4 879 883	4 897 574	**2 841 876**	2 068 138
Liabilities				
Trade and other payables	**–**	–	**–**	2 146
Current income tax liabilities	**–**	–	**39 044**	20 784
Loans from shareholders	**149 794**	132 507	**111 786 119**	88 015 856
Total liabilities	**149 794**	132 507	**111 825 163**	88 038 786
Total equity and liabilities	**5 029 677**	5 030 081	**114 667 039**	90 106 924
Statement of comprehensive income				
Revenue	**–**	–	**673 889**	477 660
Cost of sales	**–**	–	**–**	–
Gross profit	**–**	–	**673 889**	477 660
Administrative expenses	**(7 983)**	(1 417)	**(2 661)**	(2 425)
Net expected credit losses on financial and contract assets	**–**	–	**–**	–
Finance income	**–**	–	**76 703**	61 473
Finance costs	**(16 251)**	(11 535)	**–**	–
(Loss)/profit before tax	**(24 234)**	(12 952)	**747 931**	536 708
Taxation	**6 543**	2 765	**(201 941)**	(144 911)
(Loss)/profit after taxation	**(17 691)**	(10 187)	**545 990**	391 797
Other comprehensive income	**–**	–	**–**	–
Total comprehensive (loss)/income	**(17 691)**	(10 187)	**545 990**	391 797

	Table View Properties (Pty) Ltd		Bankenveld District City (Pty) Ltd	
	2024	2023	**2024**	2023
Reconciliation of financial information				
Reconciliation of the information presented to the carrying amount of its interest in the joint venture.				
Summarised financial information				
Opening net assets at 1 March	**(102 427)**	(92 240)	**–**	–
(Loss)/profit after tax	**(17 691)**	(10 187)	**545 990**	391 797
Closing net (liabilities)/assets	**(120 118)**	(102 427)	**545 990**	391 797
Interest in joint venture at 54.17% and 50.00%	**(65 068)**	(51 213)	**272 995**	195 899
Profits not taken	**–**	–	**(272 995)**	(195 899)
Loss limitation	**65 068**	51 213	**–**	–
Carrying value	**–**	–	**–**	–
Reconciliation of investment in joint venture				
At 1 March	**20 000 000**	20 000 000	**–**	–
Share of profit	**–**	–	**272 995**	195 899
Increase in investment	**5 900 000**	–	**–**	–
Profits not taken	**–**	–	**(272 995)**	(195 899)
Net carrying value	**25 900 000**	20 000 000	**–**	–
The impact of the cash flows on the Group consists of the following:				
Cash inflow/(outflow) from construction activities (net movement in trade debtors)	**–**	–	**–**	–
Cash outflow from investing activities	**(5 900 000)**	–	**–**	–
Cash inflow for loans from joint ventures	**–**	–	**–**	–
Cash outflow for loans to joint ventures	**–**	–	**(11 885 132)**	(9 325 234)
Net cash flows on the Group from joint ventures	**(5 900 000)**	–	**(11 885 132)**	(9 325 234)

11. Inventories

Accounting policy

Land owned by the Group which is being developed to get into a condition to start construction of the various projects is classified as inventory. The land may also be sold without any construction depending on the intention of management. Inventories are stated at the lower of cost or net realisable value. The cost of land under development held for sale includes design costs, building materials, direct labour, borrowing costs and other indirect costs.

Completed units acquired through the sale of the investment in AFHCO Calgro M3 Consortium (Pty) Ltd are recognised as completed units available for sale in inventories.

The amount of any write-down of inventories to net realisable value is recognised as an expense in the year which the write-down occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

Individual units which do not form part of construction contracts are classified as inventory and are sold as a completed unit.

Memorial park land costs are the remaining value of unsold grave sites, which consists of the unsold portion of the original cost price of the land and any other direct and indirect costs incurred to get the land to its intended use of being sold as a grave site.

Significant estimates and judgements

In assessing the net realisable value of land under development held for sale, valuators consider title deed information, town planning conditions, locality and improvements made to the property.

Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro and macro economic conditions require judgement. In assessing the net realisable value of memorial park land costs, management considers the estimated number of graves available and the average current sales value of individual burial rights.

	2024	2023
Memorial park land costs	**166 403 018**	173 251 224
Completed units	**–**	2 340 792
Other land costs for future development	**336 982 231**	322 948 778
Total inventories	**503 385 249**	498 540 794
Inventories to be sold within 12 months	**68 649 122**	49 076 363
Inventories to be sold after more than 12 months	**434 736 127**	449 464 431
	503 385 249	498 540 794

The disposals for the current year for completed units and other land costs for future development R23 203 998 (2023: R172 128 654).

During the prior year, a net realisable value reversal of R7 770 737 was recognised, which relates to the units sold in the South Hills Lifestyle Estate Development. Inventories to the value of Rnil (2023: Rnil) are stated at net realisable value.

12. Investments

Accounting policy

The current investments held are carried at fair value through profit or loss ("FVPL").

The current classification of the financial asset is based on the characteristics and how the contractual cash flows are managed. The financial assets have been classified based on the contractual cash flow characteristics of the financial assets, which are assessed based on whether the cash flows consist solely of payments of principal and interest, and management's business model for managing the financial asset.

	2024	2023
Investments	**16 769 513**	14 894 959
	16 769 513	14 894 959
Reconciliation of investments		
Opening balance at 1 March	**14 894 959**	13 927 808
Fair value adjustment through profit or loss (refer to notes 4 and 23)	**1 874 554**	967 151
	16 769 513	14 894 959

The investment held relates to long-term deposits invested in a diversified investment fund. These investments are accounted for at fair value through profit or loss.

13. Property, plant and equipment

Accounting policy

The Group's long life assets mainly provide the infrastructure to enable the Group to operate. The assets are initially measured at cost. The cost of the assets are then recognised in the statement of comprehensive income over the useful lives of the assets as a depreciation charge. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses.

The cost of the asset includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of the assets have been assessed as follows:

Owned item	Average useful life
▪ Land and buildings	Land: Unlimited; Buildings: Up to 50 years*
▪ Plant and machinery and motor vehicles	5 years
▪ Furniture and fixtures and office equipment	6 years
▪ Motor vehicles	4 years
▪ IT equipment	3 years
▪ Leasehold improvements	10 years

* *Where the residual value of buildings exceeds the carrying amount, no depreciation is provided.*

Right-of-use asset

▪ Office buildings	Based on the shorter of lease period or useful life of the asset

Significant estimates and judgements

Management uses judgement for useful life and residual values used.

	Cost 2024	**Accumulated depreciation 2024**	**Carrying amount 2024**	Cost 2023	Accumulated depreciation 2023	Carrying amount 2023
Owned						
Land and buildings	**6 897 434**	**–**	**6 897 434**	6 897 434	–	6 897 434
Plant and machinery	**3 663 295**	**(2 344 766)**	**1 318 529**	3 579 158	(2 195 400)	1 383 758
Furniture and fixtures	**1 529 757**	**(1 479 501)**	**50 256**	1 529 757	(1 423 506)	106 251
Motor vehicles	**200 000**	**(199 999)**	**1**	200 000	(199 999)	1
Office equipment	**936 006**	**(879 835)**	**56 171**	936 006	(864 470)	71 536
IT equipment	**4 986 085**	**(3 870 854)**	**1 115 231**	4 347 514	(3 090 037)	1 257 477
Leasehold Improvements	**1 923 613**	**(1 665 699)**	**257 914**	1 923 613	(1 493 392)	430 221
	20 136 190	**(10 440 654)**	**9 695 536**	19 413 482	(9 266 804)	10 146 678
Right-of-use asset						
Office buildings – Bryanston	**33 756 803**	**(14 263 664)**	**19 493 139**	17 923 260	(11 385 479)	6 537 781
	33 756 803	**(14 263 664)**	**19 493 139**	17 923 260	(11 385 479)	6 537 781
Total	**53 892 993**	**(24 704 318)**	**29 188 675**	37 336 742	(20 652 283)	16 684 459

13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – owned – 2024

	Opening balance	Additions	Disposal	Depreciation	Closing carrying amount
Land and buildings	6 897 434	–	–	–	6 897 434
Plant and machinery	1 383 758	84 137	–	(149 366)	1 318 529
Furniture and fixtures	106 251	–	–	(55 995)	50 256
Motor vehicles	1	–	–	–	1
Office equipment	71 536	–	–	(15 365)	56 171
IT equipment	1 257 477	638 571	–	(780 817)	1 115 231
Leasehold improvements	430 221	–	–	(172 307)	257 914
	10 146 678	722 708	–	(1 173 850)	9 695 536

Reconciliation of property, plant and equipment – right-of-use asset – 2024

	Opening balance	Modifications	Disposal	Depreciation	Closing carrying amount
Office buildings – Bryanston	6 537 781	15 833 543	–	(2 878 185)	19 493 139
	6 537 781	15 833 543	–	(2 878 185)	19 493 139
Gross totals of movements	16 684 459	16 556 251	–	(4 052 035)	29 188 675

Reconciliation of property, plant and equipment – owned – 2023

	Opening balance	Additions	Disposal	Depreciation	Closing carrying amount
Land and buildings	6 897 434	–	–	–	6 897 434
Plant and machinery	1 466 420	124 579	–	(207 241)	1 383 758
Furniture and fixtures	104 744	90 304	–	(88 797)	106 251
Motor vehicles	344 173	–	(244 027)	(100 145)	1
Office equipment	107 509	–	(11 223)	(24 750)	71 536
IT equipment	864 158	984 131	–	(590 813)	1 257 477
Leasehold improvements	602 527	–	–	(172 306)	430 221
	10 386 965	1 199 014	(255 250)	(1 184 052)	10 146 678

Reconciliation of property, plant and equipment – right-of-use asset – 2023

	Opening balance	Modifications	Disposal	Depreciation	Closing carrying amount
Office buildings – Bryanston	9 295 205	–	–	(2 757 424)	6 537 781
	9 295 205	–	–	(2 757 424)	6 537 781
Gross totals of movements	19 682 170	1 199 014	(255 250)	(3 941 476)	16 684 459

Right-of-use assets – terms greater than 1 year

The following office buildings were capitalised based on their committed occupation terms:

Building type	Building location	Remaining term of lease
Main head office	Johannesburg	78 months from 29 February 2024 (30 months from 28 February 2023)

The right-of-use asset has been remeasured. Please refer to note 20 for the details of the remeasurement.

Depreciation expense of R4 052 035 (2023: R3 941 476) has been charged to 'administrative expenses' in the consolidated statement of comprehensive income.

No assets as disclosed above have been encumbered or held as security during the current or previous financial year.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

14. Investment property

Accounting policy
Investment property is initially recognised at cost and subsequently measured at fair value. The fair value for the commercial properties was determined using valuation methods as described in note 4. Fair value adjustments are recognised in the statement of comprehensive income.

	Cost 2024	Accumulated fair value adjustment 2024	Carrying amount 2024	Cost 2023	Accumulated fair value adjustment 2023	Carrying amount 2023
Investment property	**12 520 848**	**9 626 243**	**22 147 091**	12 520 848	7 426 174	19 947 022

	2024	2023
Reconciliation of investment property		
Opening balance at 1 March	**19 947 022**	19 947 022
Fair value adjustment	**2 200 069**	–
Closing balance	**22 147 091**	19 947 022

In the current year, additions to the value of Rnil (2023: Rnil) were made to the investment properties.

Investment property has a fair value of R22 147 091 (2023: R19 947 022). All investment properties held in the Group are specialised commercial properties relating to the Memorial Parks segment, located at the Fourways and Durbanville Memorial Parks. The value of investment properties as at 29 February 2024 was determined by management using the discounted cash flow ("DCF") method. Refer to note 4 for all estimates and assumptions included in the valuation. A 2% increase/ decrease in the growth rate or discount rate used in the valuations will not lead to a significant change in the fair value of the investment properties.

Rental income received in respect of investment property amounts to R3 492 958 (2023: R3 132 738). Refer to note 23.

15. Intangible assets

Accounting policy

(a) **Goodwill**

Goodwill for the Group arose as a result of the acquisition of various subsidiaries in previous financial years.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

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 operating segment.

The cash-generating units for the Group are considered to be consistent with the operating segments that the CODM has identified.

(b) **Computer software**

Computer software is initially recorded at cost and subsequently carried at cost less accumulated amortisation and any impairment losses.

Amortisation on computer software is calculated using the straight-line method to allocate its cost to the statement of comprehensive income over its useful life of two years.

(c) **Estimates and key judgements**

Management used estimates in determining the fair value and value-in-use calculation for the annual goodwill impairment test. Refer below for further detail.

	Cost 2024	Accumulated amortisation/ impairment 2024	Carrying amount 2024	Cost 2023	Accumulated amortisation/ impairment 2023	Carrying amount 2023
Goodwill	**175 674 238**	**(16 023 721)**	**159 650 517**	175 674 238	(16 023 721)	159 650 517
Computer software	**98 091**	**(98 074)**	**17**	98 091	(98 074)	17
	175 772 329	**(16 121 795)**	**159 650 534**	175 772 329	(16 121 795)	159 650 534

15. Intangible assets (continued)

Amortisation expenses on computer software of Rnil (2023: Rnil) has been included in 'administrative expenses' in the statement of comprehensive income.

Additions of Rnil (2023: Rnil) have been made in the current year to computer software.

No computer software has been written off in the current or prior year.

There were no additions to goodwill in the current or prior year.

Impairment tests for goodwill

Goodwill is monitored at the operating segment level. The following is a summary of goodwill allocation for each operating segment:

	2024	2023
Residential Property Development	158 955 713	158 955 713
Memorial Parks	694 804	694 804
	159 650 517	159 650 517

Only the goodwill allocated to the Residential Property Development segment is considered to be significant.

The recoverable amount of the Residential Property Development segment has been determined based on a value-in-use calculation.

The Group prepares cash flows used for the assessment of goodwill impairment on an unescalated basis. Only current selling prices and costs are taken into consideration when extrapolating the relevant cash flows.

This calculation uses real pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and takes into account a terminal value from year six onwards. The terminal value is based on year five's cash flow projection. A growth rate of zero percent has been utilised in the model.

The key assumptions used for value-in-use calculations are as follows:

	Residential Property Development	
	2024	2023
Gross margin utilised in the cash flow forecast	25.59%	30.33%
Pre-tax discount rate (real)	16.03%	17.56%

The pre-tax discount rate decreased in the current year due to changes in underlying assumptions applied in calculating the discount rate. The main driver of the decrease relates to the decrease in the contribution of cost of equity to the pre-tax discount rate when compared to the prior year as the cost of equity is higher than the cost of debt. The main reason for the decrease in the contribution to the pre-tax discount rate is attributable to the share repurchase done in the current financial year.

The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. Management determined budgeted gross margins based on past performance and its expectations of market development and availability of cash for the end-user.

If the budgeted gross margin used in the value-in-use calculations had been lower by 5% than the management estimates, the Group would still not recognise an impairment of goodwill.

If the estimated discount rate applied to the cash flows had been 5% higher than the management estimates, the Group would still not recognise an impairment of goodwill.

16. Deferred income tax (liabilities)/assets

Accounting policy

Deferred tax assets and liabilities represent amounts of tax that will become recoverable or payable in future accounting years. They generally arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the accounts.

A deferred tax asset represents a tax reduction that is expected to arise in a future year. A deferred tax liability represents taxes which will become payable in a future year as a result of a current or an earlier transaction. In respect of deferred tax assets, the Group only recognises a deferred tax asset when the availability of future taxable profits necessary to support the deferred tax asset is probable, when there is a history of recent tax losses, other convincing evidence is considered.

Where a temporary difference arises in relation to the Group's investment in subsidiaries or joint ventures a deferred tax liability can only be recognised by the Group if the Group cannot control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in future.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities, but which the Group intends to settle on a net basis or realise simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

16. Deferred income tax (liabilities)/assets (continued)

Estimates and key judgements

Management uses cash flow forecasts to determine whether deferred tax assets can be recognised in terms of IAS 12 and when the recognised deferred tax assets will be recovered.

	2024	2023
Reconciliation of deferred tax (liability)/asset		
Opening balance	**(241 024 804)**	(182 139 762)
Profit or loss charge	**(69 310 878)**	(58 885 042)
Construction contracts	**(64 271 140)**	(42 861 309)
Inventories	**(4 319 429)**	(3 438 600)
Bonus accrual	**(4 445 618)**	5 702 294
Tax losses available for set off against future taxable income	**799 177**	(20 967 410)
Capital losses available for future use	**–**	(298 837)
Share appreciation right settlement prepayment	**5 299**	59 999
Deferred revenue	**–**	1 303 560
General accruals	**–**	(197 316)
Expected credit losses – trade receivables	**(411 958)**	213 953
Expected credit losses – contract assets	**938 835**	424 388
Income received in advance	**2 282 011**	291 742
Capitalised leased assets	**65 631**	(105 131)
Other	**46 314**	987 625
Closing balance	**(310 335 682)**	(241 024 804)
The analyses of deferred tax liabilities and deferred tax assets are as follows:		
Deferred tax liabilities		
Construction contracts	**(341 962 919)**	(280 961 229)
Inventories	**1 215 000**	(4 757 444)
Bonus accrual	**8 373 315**	12 818 932
Share appreciation right settlement prepayment	**–**	(5 299)
Investment properties	**92 857**	92 857
Expected credit losses – trade receivables	**1 915 824**	1 991 137
Expected credit losses – contract assets	**2 800 984**	1 860 216
Capitalised leased assets	**513 814**	448 183
Other	**1 033 939**	987 625
Deferred tax liabilities*	**(326 017 186)**	(267 525 022)

	2024	2023
Deferred tax assets		
Construction contracts	**(16 027 963)**	(12 758 513)
Inventories	**6 788 050**	17 079 923
General accruals	**170 100**	170 100
Deferred revenue	**8 141 285**	8 141 285
Capital losses available for future use	**8 068 596**	8 068 596
Expected credit losses – trade receivables	**(37 772)**	298 873
Expected credit losses – contract assets	**78**	2 011
Income received in advance	**4 018 310**	1 736 299
Tax losses available for set off against future taxable income$	**4 560 820**	3 761 644
Deferred tax assets#	**15 681 504**	26 500 218
Net deferred tax balance	**(310 335 682)**	(241 024 804)
Deferred tax liabilities		
Deferred tax liability to be realised within 12 months	**(104 987 115)**	(127 581 240)
Deferred tax liability to be realised after more than 12 months	**(221 030 071)**	(139 943 782)
	(326 017 186)	(267 525 022)
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	**(11 029 947)**	(3 670 477)
Deferred tax asset to be recovered after more than 12 months	**26 711 451**	30 170 695
	15 681 504	26 500 218

$ *The Group has concluded that the deferred tax assets relating to tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the underlying subsidiaries.*

* *Included in deferred tax liabilities are the deferred tax assets of subsidiaries where their net deferred tax position is a deferred tax liability.*

Included in deferred tax assets are the deferred tax liabilities of subsidiaries where their net deferred tax position is a deferred tax asset.

17. Stated capital

Accounting policy

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

Where the Group purchases the Company's equity share capital, the consideration paid, including any attributable transaction costs net of income taxes, is deducted from total shareholders' equity as treasury shares until they are cancelled or reissued.

17. Stated capital (continued)

	Number of shares		Rand amount	
	2024	2023	**2024**	2023
Authorised				
Ordinary no par value shares	**500 000 000**	500 000 000		
Issued				
Shares in issue to the public	**121 400 069**	121 400 069	**102 080 971**	102 080 971
Shares held by Calgro M3 Employee Benefit Trust	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Shares held by Calgro M3 Empowerment Trust	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Shares held by Calgro M3 Developments Limited	**8 468 631**	8 468 631	**163 190 199**	163 190 199
Total shares in issue	**140 294 518**	140 294 518	**473 750 424**	473 750 424
Treasury shares in issue	**(18 322 449)**	(18 894 449)	**(369 124 053)**	(371 669 453)
– Balance at the beginning of the year	**18 894 449**	18 894 449	**371 669 453**	371 669 453
– Issued to share scheme participants%	**(572 000)**	–	**(2 545 400)**	–
Shares repurchased#	**(25 912 943)**	–	**(73 016 275)**	–
Balance at the end of the year	**96 059 126**	121 400 069	**31 610 096**	102 080 971

% *Shares issued in terms of Calgro M3 Executive Share Scheme*
During the current year, shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY24" (refer to note 34). In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 1 040 000 shares, with an associated tax liability equating to 468 000 shares. The remaining 572 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments (Pty) Ltd at a value of R4.45 per share.

\# *Specific repurchase of shares*
During the current year, ordinary shares were repurchased in line with the general authority granted to the Board of Directors as per the special resolution passed during the 2022 and 2023 Annual General Meetings. From 15 March 2023 to 4 December 2023, a total of 25.9 million shares were repurchased for a total value of R73 million at an average of R2.92 per share, representing 18.5% of the issued ordinary share capital before any repurchases were made. These repurchased shares were cancelled, delisted and reverted to authorised and unissued shares.

Shares held by Calgro M3 Employee Benefit Trust and Calgro M3 Empowerment Trust
In terms of IFRS 10: *Consolidated Financial Statements*, both trusts are consolidated into the Group, and as a result, shares owned by these entities are carried as treasury shares on consolidation.

All issued shares are fully paid.

Unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

18. Trade and other payables

Accounting policy
Trade and other payables are measured at amortised cost. Refer to the financial instruments accounting policy, note 2.10.2.

	2024	2023
Financial instruments		
Trade payables	**107 446 630**	156 946 214
Trade payables – related parties	**300 957**	153 687
Retention creditors	**8 271 394**	3 804 523
Accrued expenses	**18 579 758**	7 735 857
Accrued interest	**28 130 037**	20 556 592
Deferred payment arrangement – land and share acquisitions	**–**	12 863 856
Land purchase liability – balance of purchase price for acquisition of Bridge City land	**–**	4 281 756
Land purchase liability – balance of purchase price for acquisition of Enokuthula Memorial Parks	**–**	8 582 100
Lease liability office building**	**24 741 667**	11 543 229
Excess billings over work done	**13 704 800**	23 636 344
Gross financial instruments	**201 175 243**	237 240 302
Non-financial instruments		
Accrual for long service awards$	**1 667 229**	2 212 582
Accrual for leave pay	**1 359 410**	1 187 869
Deferred maintenance revenue – memorial parks	**47 692 523**	40 431 322
Accrued expenses	**20 989 865**	47 058 900
Other liabilities	**678 439**	2 187 959
Value added tax	**17 361 989**	30 185 360
Total non-financial instruments	**89 749 455**	123 263 992
Total trade and other payables	**290 924 698**	360 504 294

** *This amount relates to the capitalisation of long-term leases. Refer to note 20.*

$ *The Group has a long-term service award for its employees based on years of service. (10 years – two months' salary, 15 years – three months' salary, every subsequent five years thereafter – three months' salary). To determine the value of the accrual, the following was taken into account: The average annual salary increases, the employee attrition rate, retirement age, discount rate and mortality rate.*

Refer to note 3 for the maturity analysis of financial instruments. For the remaining non-financial instruments, R40 769 329 (2023: R73 229 592) will be settled within the next 12 months and R49 026 306 (2023: R50 034 400) will be settled after more than 12 months.

19. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. Refer to the financial instruments accounting policy, note 2.10 for further details.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. The fee is amortised over the life of the facility.

	Interest rate	Expiration date	2024	2023
Floating rate note – CGR 42	JIBAR plus 4.5%	3 August 2023	**–**	45 000 000
Floating rate note – CGR 47	JIBAR plus 4.5%	28 February 2025	**60 000 000**	60 000 000
Floating rate note – CGR 48	JIBAR plus 4.25%	30 September 2023	**–**	50 000 000
Floating rate note – CGR 49	JIBAR plus 4.75%	30 September 2024	**50 000 000**	50 000 000
Floating rate note – CGR 50	JIBAR plus 4.25%	23 October 2023	**–**	33 000 000
Floating rate note – CGR 51	JIBAR plus 4.75%	23 October 2024	**48 000 000**	48 000 000
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2025	**50 000 000**	50 000 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2027	**40 000 000**	40 000 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	**40 000 000**	40 000 000
Floating rate note – CGR 55	JIBAR plus 3.9%	2 October 2026	**50 000 000**	–
Floating rate note – CGR 56	JIBAR plus 3.9%	2 October 2026	**33 000 000**	–
Transaction cost amortisation*			**(396 078)**	(527 425)
Total Bond Exchange			**370 603 922**	415 472 575
NHFC loan#	Prime plus 0.5%	30 August 2026	**215 000 000**	215 000 000
Proparco loan	JIBAR plus 4.9%	15 September 2023	**–**	154 800 000
Term loan 1#	JIBAR plus 5%	12 October 2027	**100 000 000**	100 000 000
Term loan 2#	JIBAR plus 4.5%	25 April 2028	**155 000 000**	–
Term loan 3#	JIBAR plus 4.25%	15 Nov 2028	**100 000 000**	–
Transaction cost amortisation*			**(5 807 780)**	(8 910 248)
Other borrowings			**564 192 220**	460 889 752
Total borrowings			**934 796 142**	876 362 327

* *The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.*

\# *The following repayment terms are applicable to these loans:*
- *The NHFC loan is repayable in four equal instalments on a six-monthly basis, starting from February 2025.*
- *Term loan 1 is repayable in one instalment in October 2027.*
- *Term loan 2 is repayable in four equal instalments, starting from September 2027.*
- *Term loan 3 is repayable in four equal instalments, starting from March 2028.*

All borrowings are unsecured.

The following financial covenants are applicable to all borrowings:
- Debt service coverage ratio ("DSCR") of higher than 1.2 at a Group level
- A maximum net debt/equity ratio of less than 1.5:1
- A minimum liquidity ratio of 1.2

At the end of the financial year, the Group was not in breach of the above covenants or at risk of breaching the regulated covenants listed above.

Refer to note 3.2 for the calculation of the debt covenants.

As at period end, all floating rate notes listed on the DMTN (Domestic Medium Term Note) listed debt programme were in compliance with the programme memorandum.

All borrowings (with the exception of the NHFC loan) are subject to JIBAR rates. The presumed replacement rate is the ZARONIA, which became an official rate during November 2023. None of the borrowings' rates have been renegotiated with funders as it is not yet clear when the JIBAR will officially cease to be used.

The table below provides information regarding the present value of the borrowings to be settled within 12 months and after 12 months. For the undiscounted cash flows related to borrowings, refer to note 3.

19. Borrowings (continued)

	2024	2023
Borrowings to be settled within 12 months	**211 750 000**	282 800 000
Borrowings to be settled after more than 12 months	**723 046 142**	593 562 327
	934 796 142	876 362 327
Borrowings cash flow reconciliation		
Opening balance	**876 362 327**	839 067 772
Repayments of borrowings	**(232 800 000)**	(194 800 000)
Amortised expense through the statement of comprehensive income – non-cash	**6 358 040**	5 594 911
Borrowings raised – CGR 55 raised to repay CGR 48 (non-cash item)	**50 000 000**	–
Borrowings (repaid) – CGR 48 repaid by CGR 55 (non-cash item)	**(50 000 000)**	–
Transaction costs paid	**(3 124 225)**	(3 500 356)
Proceeds from borrowings	**288 000 000**	230 000 000
Closing balance	**934 796 142**	876 362 327
Interest paid on borrowings	**111 400 297**	90 374 618
Total interest paid on borrowings	**111 400 297**	90 374 618

General

The Group's incremental borrowing rate as at 29 February 2024 was 12.66% (2023: 11.46%).

The Directors have not breached the requirements of the Company's Memorandum of Incorporation in terms of their borrowing powers.

20. Lease liability

Accounting policy

The Group, as a lessee, recognises right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases (i.e. these leases are on-balance sheet).

The Group presents lease liabilities in the statement of financial position under trade and other payables. The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate is applied.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

The right-of-use asset is initially measured at an amount equal to the sum of the lease liability, initial direct costs, costs of removing and restoring the lease asset and payments made prior to the lease commencement. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for certain remeasurements of the lease liability.

The Group will apply judgement to determine whether it is reasonably certain to exercise renewal options, as such options impact the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group has leases that represent low-value leases. Below are the typical items that represent the types of low-value-assets that are leased:

- Printers;
- Telephonic systems and devices;
- Site equipment;
- Off-site data servers.

As a lessor

The Group leases out its investment property and has classified these leases as operating leases.

A lessor recognises lease payments from operating leases as income on straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

20. Lease liability (continued)

	2024	2023
Lease liability		
Lease agreements for office buildings#	**24 741 667**	11 543 229
	24 741 667	11 543 229
Amount to be settled in the next 12 months	**1 819 955**	3 894 155
Amount to be settled after the next 12 months	**22 921 712**	7 649 074
	24 741 667	11 543 229

During the current financial year, the lease term was extended for five years, with the new lease expiring on 31 August 2030. This lease modification was not treated as a separate lease but instead lease liability and right-of-use asset was remeasured on the effective date (1 September 2023). As the interest rate implicit in the lease was not readily available, the Group's incremental borrowing rate on the effective date of the lease modification of 12.72% was used. There were no changes to the scope of the lease agreement, other than the extension of the lease term.

Undiscounted lease payments are due as follows:

	2024	2023
Within 1 year	**4 868 003**	5 204 633
2 to 5 years	**22 653 268**	8 493 584
Greater than 5 years	**9 937 046**	–
	37 458 317	13 698 217

Building type	Building location	Remaining term of lease
Main head office	Johannesburg	78 months from 29 February 2024 (30 months from 28 February 2023)

Amounts related to lease liabilities included in the statement of comprehensive income

	2024	2023
Administrative expenses		
Depreciation on right-of-use assets (IFRS 16)	**2 878 185**	2 757 424
Finance costs		
Lease liability	**2 234 600**	1 767 910

The Group does not sub-lease right-of-use assets and therefore generates no income.

No gains or losses arose from any sale and leaseback agreements.

The carrying amount of right-of-use assets is reflected in note 13.

21. Revenue

Accounting policy

The Group derives revenue from contracts with customers for the supply of goods (infrastructure, fully and partially subsidised units, non-subsidised units, serviced land) and memorial park burial rights and memorial park maintenance services.

Performance obligations are identified based on the type of contract entered into with customers on an individual basis. Consideration is given to whether the goods or services are distinct from one another. Once these performance obligations are identified the below consideration is given to the satisfaction of the performance obligation:

The Group recognises revenue over time if one of the following criteria is met:

- The Group creates or enhances an asset which the customer controls as the asset is created, which is generally applicable for those contracts entered into where construction services are provided on land owned by the customer; or
- The customer simultaneously receives and consumes all of the benefits provided by the Group, which is generally the case for services, including when another entity would not need to substantially re-perform work already completed to date; or
- The Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for the work completed to date. In assessing this consideration the Group considered the following:
  - When units/dwellings/projects are built according to customer orders/specifications the asset that is created does not have an alternative use to the Group as it is contractually restricted from directing the asset to another use. This assessment is made at contract inception.
  - Even though the Group only has an unconditional right to payment at agreed-upon milestones, the Group considers there to be an enforceable right to payment when it has a legal, contractual right or it is customary business practice to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than the entity's failure to perform work as promised.

The Group recognises revenue at a point in time if the over time criteria is not met. Revenue is recognised when control is transferred, this is generally triggered by the transfer of legal ownership to the customer through title deeds and/or grave certificates being issued. This will generally coincide with the business becoming entitled to the right to payment.

21. Revenue (continued)

The Group measures revenue based on the specifications of each individual contract with a customer, excluding any amounts received on behalf of third parties.

The Group recognises retention debtors based on certified work completed for specific contracts. It should be noted that the retention payments are not considered to be variable consideration as the full amount is payable upon satisfying performance obligations. The retention payments have no impact on the contract price and are short term in nature (usually released within three to six months).

Revenue recognised on contracts that have retention debtors are done in terms of the Group's revenue recognition policy (over time or point in time), depending on how control of the goods are transferred to the customer. Payment of any retention debtors are measured for recoverability in line with IFRS 9. Retention debtors are not considered to have a significant financing component due to the short-term nature thereof – in making this assessment the Group has applied the practical expedient as per IFRS 15.129.

The costs incurred to obtain a contract, prior to finalisation of the revenue agreement, are expensed to profit or loss as and when the costs are incurred as the Group considers these costs not to be recoverable until an agreement has been reached to recover these costs.

The transaction price for either a single performance obligation or multiple performance obligations is the contractually stipulated price and represents the stand-alone selling price at the time when the contract is entered into with the customer.

Significant judgement and source of estimation uncertainty
Property Development segment
With regards to revenue recognised over time, the Group makes use of the input method to measure progress towards completion of the performance obligation.

In applying the input method a 'percentage of completion' calculation is used whereby the Group calculates the cost of the construction services and activities performed to date (including land) as a proportion of the total cost of the construction services and activities to be performed. The Group considers this an appropriate method for recognising revenue as it accurately depicts the progress of the underlying contract.

The Group performs this by comparing actual cost incurred on a unit/dwelling/project compared to the forecasted cost per the approved project feasibility of the unit/dwelling/project which equals the percentage of work completed ("percentage of completion"). Inputs can be reliably measured and results in the performance obligation being satisfied to the customer. The Group, therefore, has determined that this method depicts the Group's performance in transferring control of the goods and services to the customer.

The Group uses approved feasibilities to determine the overall expected cost and attributable margin to determine the transaction price on over time construction contracts and for services to be rendered on infrastructure projects where the Group is remunerated on a cost plus basis.

Feasibilities are reviewed on a regular basis and approved by the Executive Committee (Exco).

The relevant costs to complete a contract is calculated by qualified industry experts, where applicable, and is based on:
- Remaining scope of work to be performed on the contract;
- Pricing agreements in place with contractors, engineers and other suppliers;
- General cost allowances for unforeseen events. This will vary dependent on the complexity in the project conditions, design uncertainty, risks in projects and project maturity.

The Group allocates non-unit specific cost which includes land, infrastructure, town planning and other project-related cost based on approved feasibilities. Estimates are made by management to calculate the forecasted cost of a project which includes non-unit specific cost to be allocated to units as and when they are constructed. The estimates used are in terms of the approved project feasibility.

The Group applies judgement in determining whether contracts for the sale of land and the construction of residential housing include separately identifiable performance obligations or whether they should be grouped together as a single performance obligation. The Group applies this judgement based on transfer requirements for the property, if the land can be transferred without construction of the relevant unit then the transfer of land and construction of unit is determined to be two separately identifiable performance obligations.

Variations on original contract prices are agreed with a customers and are accounted for as a contract modification where the original prices are modified to include the approved variation to the original contract. A cumulative catch up of revenue is performed when the variation is included for a contract where the revenue is accounted for over time. The revenue on variations for a point in time contract is only accounted for upon transfer of control of the relevant services and goods to the customer.

21. Revenue (continued)

The type of products and their revenue recognition within the Group for the Residential Development segment is set out below:

Terms of the contract	Revenue recognition
Fully and partially subsidised – Reconstruction and Development Programme ("RDP")/breaking new ground ("BNG") and Community Residential Units ("CRU")	
▪ Overall agreement between parties to construct a specified number of RDP and CRU units. ▪ Purchase order received from government based on approved budget within the relevant department, based on gazetted prices for RDP and CRU units at the time of contracting. ▪ Payment for work completed determined on a monthly basis ("progress draws"). ▪ Specification is based on current government gazetted specifications for the units.	**Individual contract treatment with revenue recognised over time.** Estimated revenue is determined on the gazetted price per unit and the number of units ordered by government. Revenue is recognised **over time** on the input method based on the percentage of cost incurred as a percentage of total project cost (percentage of completion) as units are built according to customer order and Group has an enforceable right to payment for work completed to date. All costs incurred are expensed to cost of sales when incurred.
Fully and partially subsidised – Social Housing and/or Bulk Purchaser	
▪ Overall agreement between third party social housing company to construct a specified number of Social Housing units/Bulk purchaser units. ▪ Units specification is agreed upon between the parties within the contract. ▪ Payment for work completed is determined on a monthly basis or upon transfer of the units.	**Individual contract treatment with revenue recognised either at a point in time or over time.** Estimated revenue determined on the contract price per unit. Revenue is recognised **over time** on the input method based on cost if control is transferred during the development and handover of units and the Group has legal or contractual rights for payment for work completed to date; Or revenue is recognised at a **point in time** basis if control is determined to transfer only upon completion of the units and there is no enforceable right to payment for work completed. Should revenue be accounted for over time, cost incurred is expensed to cost of sales as incurred. Should revenue be accounted for at a point in time, cost is capitalised to contract assets and recognised in cost of sales upon transfer of the units.
Fully and partially subsidised – Grassroots Affordable Peoples' Homes ("GAP")/First Home Finance ("FHF")	
▪ Agreement between parties to purchase a single unit within a sectional title development. ▪ Payment to take place upon transfer of the unit to the customer. ▪ Specifications of the units is standard across the development.	**Individual contract per customer with revenue recognised on transfer of completed unit – revenue recognised at a point in time.** Sales price determined based on the agreement between parties. Revenue recognised at a **point in time** upon transfer of the unit to the customer. Cost incurred is capitalised to inventory/contract assets and expensed to cost of sales upon transfer of the unit.

21. Revenue (continued)

<table>
<tr><th>Terms of the contract</th><th>Revenue recognition</th></tr>
<tr><td colspan="2">Non-subsidised – Affordable Housing and High-end units</td></tr>
<tr><td>▪ Agreement entered into with parties for the purchase of property and the construction of a free-standing dwelling.
▪ Specification of dwelling agreed upon between parties.
▪ Payment upon transfer of the property.
▪ Payment for construction of freestanding unit based on terms of bond obtained by customer from the relevant financial institution.</td><td>Multiple performance obligations
Individual contract per customer with two performance obligations. Revenue recognised on transfer of the land to the customer at a point in time. Revenue on construction of the unit to be recognised over time.

Sale of land – first performance obligation
Sales price of land determined based on the agreement between parties.

Revenue is recognised at a point in time upon transfer of the land to the customer.

Cost incurred is capitalised to inventory and expensed to cost of sales upon transfer of the land.

Construction of unit – second performance obligation
Estimated revenue for the construction of the dwelling based on the agreement between the parties.

Revenue of the dwelling is recognised over time on a percentage of completion basis if control is handed over during the construction phase based on the estimated cost to construct the dwelling vs the cost incurred on the dwelling, or at a point in time if the dwelling transfers as a completed unit;

Single performance obligation
Or revenue is recognised at a point in time if control is determined to transfer upon completion of the unit/dwelling when the property/land and dwelling is transferred as a completed unit and there is no enforceable right to payment for work completed to date. This is applicable if the customer can only accept transfer due to their funding arrangement with a financial institution or requirements of the contract.

All cost incurred is either expensed to cost of sales if revenue is accounted for over time or capitalised to contract assets and expensed to cost of sales upon transfer of the property.</td></tr>
<tr><td colspan="2">Infrastructure – Integrated residential developments (consisting of a mix of bulk, link and internal infrastructure together with a mix in unit typologies)</td></tr>
<tr><td>▪ Overarching agreement with government to perform an integrated development for the upliftment and integration of communities.
▪ Bulk and Link Services subsidised based on the integration of subsidised and non-subsidised units and mix of unit typologies.
▪ Mixture of unit typologies to be constructed as per the agreement.
▪ Payment for services rendered determined on a monthly basis.</td><td>Every contract with a customer to be recognised and accounted for individually.

Revenue is recognised either at a point in time or over time depending on the terms and conditions contained in each of the contracts with each individual customer.

Non-unit specific costs are allocated to each unit as and when the Group enters into a contract with the customer. The relevant cost incurred is expensed or capitalised based on the revenue recognition which is either at a specific point in time or over time.

Subsidised infrastructure revenue is based on the estimated revenue for the work to be completed on the project and is recognised over time, as the assets that are created are specialised and have no alternative use to the Group and the Group has an enforceable right to payment for work completed to date.

Cost incurred on subsidised infrastructure is expensed to cost of sales when incurred.</td></tr>
</table>

21. Revenue (continued)

Terms of the contract	Revenue recognition
Commercial and serviced land sales	
▪ Agreement entered into with parties for the purchase of property. ▪ Payment upon transfer of the property.	**Revenue recognised on transfer of the land to the customer at a point in time.** **Sale of land** Sales price of land determined based on the agreement between parties. Revenue is recognised at a **point in time** upon transfer of the land to the customer. Cost incurred is capitalised to inventory and expensed to cost of sales upon transfer of the land.

Memorial Parks segment

The Group determines the selling price for the burial rights by determining cost per grave site plus a reasonable margin, this includes the required maintenance at a reasonable margin.

In order for management to determine the relevant maintenance revenue the following assumptions are used: life expectancy, period the service will be rendered and the cost to be incurred for maintenance over the period the service is rendered. Management assesses these assumptions on an annual basis based on approved feasibilities for each of the memorial parks.

In assessing the performance obligations associated with the Memorial Parks segment the Group has considered the following:

- The sale of the burial rights and burial services are highly inter-related for the following reasons:
  - The price for the burial right is all inclusive thereby including the price for the burial services;
  - The Group does not permit external providers to carry out burial services at the memorial parks, requiring all burial services to be executed by Calgro employees;
  - The product thereby sold by the Group is that of a “open” burial right (being a burial plot ready for use), the date and time for opening is at the sole discretion of the Group.

As a result the recognition of revenue for both burial rights and burial services are seen to be one performance obligation and recognised at a point in time on the date full payment is received.

- Revenue derived from maintenance services is considered to be a separate performance obligation as the service is seen to be distinct from the sale of the burial right.

This is due to the maintenance services being provided is a separate agreed-upon contractual task which is provided to the client over the lifetime of the park.

The performance obligation in relation to maintenance revenue is seen to be satisfied over time as the customer simultaneously receives and consumes the maintenance services from the Group over the life of the park.

The period to which the revenue is recognised aligns to the life of the park which is seen to be into perpetuity, as such maintenance revenue will be deferred into perpetuity.

21. Revenue (continued)

	2024	2023
Disaggregated revenue		
Residential Property Development segment		
Infrastructure	**604 866 654**	469 869 029
Fully and partially subsidised units	**480 652 426**	439 599 945
Non-subsidised units	**124 618 124**	468 359 673
Serviced land sales	**31 997 239**	56 943 868
Commercial land sales	**–**	55 000 000
	1 242 134 443	1 489 772 515
Memorial Parks segment		
Memorial parks burial rights	**42 405 315**	35 544 035
	42 405 315	35 544 035
Total revenue	**1 284 539 758**	1 525 316 550

22. Cost of sales

	2024	2023
Disaggregated cost of sales		
Residential Property Development segment		
Infrastructure	**381 929 534**	257 916 737
Fully and partially subsidised units	**385 600 109**	303 165 088
Non-subsidised units	**118 208 586**	510 242 910
Serviced land sales	**25 623 871**	36 438 561
Commercial land sales	**139 495**	37 195 521
	911 501 595	1 144 958 817
Memorial Parks segment		
Memorial parks cost of burial plot	**8 956 525**	7 695 678
Memorial parks other costs	**14 052 523**	14 968 258
	23 009 048	22 663 936
Total cost of sales	**934 510 643**	1 167 622 753

23. Other income

		2024	2023
Bond commissions		**2 099 252**	2 239 865
Rental income from commercial investment properties		**3 492 958**	3 132 738
Fair value adjustments on assets held at fair value through profit or loss	Note 12	**1 874 554**	967 151
Fair value adjustments on investment properties	Note 14	**2 200 069**	–
Other		**1 871 331**	2 643 590
		11 538 164	8 983 344

24. Administrative expenses

	2024	2023
Advertising	**9 233 950**	9 503 818
Auditor's remuneration#	**3 767 845**	5 841 094
Bank charges	**1 153 204**	801 981
Computer expenses	**6 212 049**	5 381 505
Depreciation on owned property, plant and equipment and amortisation on computer software	**1 173 850**	1 184 052
Depreciation on right-of-use assets	**2 878 185**	2 757 424
Donations	**620 191**	157 675
Insurance	**1 130 586**	912 968
Motor vehicle expenses	**592 861**	591 232
Legal fees	**717 136**	947 090
Levies paid	**2 394 089**	1 869 068
Listing expenses	**269 048**	413 379
Professional fees	**3 139 081**	1 644 289
Rates and taxes	**718 136**	1 020 280
Repairs and maintenance	**365 303**	299 773
Social corporate responsibilities	**461 334**	1 092 542
Secretarial services	**556 557**	369 060
Staff welfare	**1 963 724**	1 623 187
Subscriptions	**632 241**	488 193

\# *Included in auditors remuneration is R150 000 (2023: R374 779) of non-audit fees.*

24. Administrative expenses (continued)

	2024	2023
Total employee and related fee costs	**56 683 653**	62 323 013
Directors' fees – Non-Executive*	**3 199 424**	3 133 992
Share scheme expense*	**8 335 286**	4 222 154
Employee costs*	**45 148 943**	54 966 867
Telephone and fax	**294 166**	335 158
Travel and accommodation	**514 261**	996 296
Utilities	**1 351 938**	1 128 795
Other	**1 315 781**	743 222
	98 139 169	102 425 094

* *Refer to notes 34, 35 and 36 for further explanation of the relevant expenses.*

25. Other expenses

	2024	2023
Rental residential costs	**64 106**	939 070
Write off of loans	**–**	126 890
	64 106	1 065 960

26. Expected credit losses/(gains) on financial and contract assets

	2024	2023
Loans to joint ventures	**3 643 858**	2 829 444
Contract assets	**3 477 163**	1 762 001
Trade and other receivables	**(1 525 774)**	1 066 015
	5 595 247	5 657 460

Refer to note 2.10 for the reconciliation of the expected credit losses/(gains) on financial and contract assets balances.

27. Finance income

Accounting policy

Finance income is recognised on a time-proportion basis using the effective interest method.

	2024	2023
Bank	**5 879 375**	882 202
Trade receivables	**9 503 438**	8 674 034
SARS	**34 271**	1 231
Related parties (interest from joint ventures)	**44 382 725**	23 923 989
	59 799 809	33 481 456

28. Finance cost

Accounting policy

Borrowing costs that are directly attributable to the acquisition, construction or production of 'land under development' (classified as inventories) are capitalised as part of its cost.

Borrowing costs that are directly attributable to the construction of the developments are treated as part of the construction contract costs.

The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining and developing a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing cost incurred.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

28. Finance cost (continued)

	2024	2023
Bank	**3 777 374**	5 369 632
Lease liability	**2 234 600**	1 767 910
Interest-bearing borrowings	**125 061 561**	85 361 852
Finance cost	**131 073 535**	92 499 394
Less: Amounts capitalised on qualifying assets (inventory)	**(13 225 596)**	(9 885 750)
Less: Amounts capitalised on qualifying assets (construction contracts)	**(60 547 379)**	(38 575 456)
Total finance cost recognised in statement of comprehensive income	**57 300 560**	44 038 188

Finance costs capitalised to inventory and construction contracts have been incurred on general borrowings.

29. Taxation

Accounting policy

All of the companies within the Group are South African tax residents and will therefore pay taxes according to the rates applicable in South Africa which were enacted or substantively enacted at the reporting date. Most taxes are recorded to profit or loss and relate to taxes payable for the reporting year or any adjustment to tax payable in respect of previous years (current tax). The charge also includes benefits and charges relating to when income and expenses are recognised in a different year for tax and accounting purposes (deferred tax).

Estimates and key judgements

Management uses cash flow forecasts due to the complexity of taxation legislation to determine whether deferred tax assets can be recognised in terms of IAS 12 and when the recognised deferred tax assets will be recovered.

	2024	2023
Major components of the income tax expense		
Current		
Local income tax – current year	**3 581 318**	7 186 241
Local income tax – recognised in current tax for prior years	**4 307**	–
	3 585 625	7 186 241
Deferred		
Current year	**68 064 849**	58 885 043
Underprovision for prior year	**1 246 031**	–
	69 310 880	58 885 043
	72 896 505	66 071 284
Reconciliation of the income tax expense		
Applicable tax rate	**27.00%**	28.00%
Disallowable charges	**0.43%**	0.24%
Empowerment expenses	**0.12%**	0.09%
Professional fees	**0.31%**	0.15%
Other adjustments	**0.02%**	0.04%
Calgro M3 Share Scheme	**0.83%**	0.46%
IFRS 9 – Net impairment losses on financial assets – Loans	**0.36%**	0.29%
Fair value adjustments on assets held at fair value through profit or loss	**(0.00%)**	(0.11%)
Fair value adjustments on investment properties	**(0.23%)**	(0.00%)
Share of profit of joint ventures	**(0.94%)**	(0.60%)
Under/(over) provision for deferred tax prior year	**(0.46%)**	(0.00%)
Losses for which no deferred tax was accounted for	**0.04%**	0.00%
Rate adjustment	**0.00%**	(2.10%)
Effective tax rate	**27.03%**	26.18%

The estimated tax losses available for set off against future taxable income within the Group is R16 668 252 (2023: R13 856 293).

30. Cash generated from operations

	2024	2023
Profit before taxation	**269 697 701**	252 358 820
Adjustments for:		
Depreciation and amortisation	**4 052 035**	3 941 477
Profit on disposal/write off of property, plant and equipment and computer software	**–**	(200 614)
Share scheme expense	**8 335 286**	4 222 154
Finance income	**(59 799 809)**	(33 481 456)
Finance cost	**57 300 560**	44 038 188
Fair value adjustments on assets held at fair value through profit or loss	**(1 874 554)**	(967 151)
Fair value adjustments on investment properties	**(2 200 069)**	–
Share-based payment – shares vested	**(2 082 600)**	–
Write off of loans	**–**	126 890
Expected credit losses on financial and contract assets	**5 595 247**	5 657 460
Share of profit of joint ventures	**(9 429 695)**	(5 386 925)
Other	**(184 088)**	(284 331)
Changes in working capital:		
Inventories	**8 381 141**	127 164 786
Trade and other receivables	**106 679 155**	(32 827 562)
Construction contracts	**(135 920 452)**	(216 258 440)
Trade and other payables	**(99 303 936)**	(58 464 638)
	149 245 922	89 638 658

31. Tax paid

	2024	2023
Balance at the beginning of the year	**(271 152)**	1 717 248
Current tax for the year	**(3 585 625)**	(7 186 241)
Balance at the end of the year	**368 859**	271 152
	(3 487 918)	(5 197 841)

32. Non-controlling interest

Summary of non-controlling interest where the Group owns less than 100% of shareholding is summarised below:

	NCI %	2024	2023
Procurement companies (Calgro M3 Procurement Services (Pty) Ltd and Calgro M3 Contractors (Pty) Ltd)	51.00%	**665 625**	689 211
CTE Consulting (Pty) Ltd#	51.00%	**–**	–
Belhar Calgro M3 Development Company (Pty) Ltd*	51.00%	**51**	51
		665 676	689 262

Summary financial information of subsidiary companies with non-controlling interest below:

	Procurement companies	
	2024	2023
Total assets	**8 017 534**	10 396 345
Total liabilities	**7 693 683**	10 039 094
Total equity	**323 851**	357 251
Non-controlling interest relating to equity	**84 234**	92 921
Current year charge		
Comprehensive income	**327 556**	357 529
Net distributable equity	**327 556**	357 529
Non-controlling interest relating to equity	**160 502**	92 993
Dividend distributed	**(184 088)**	–

At the year-end, Calgro M3 Project Management (Pty) Ltd sold its shareholding in CTE Consulting (Pty) Ltd to Calgro M3 Procurement Management (Pty) Ltd to the value of R4 500 100.

* *No non-controlling interest is accounted for relating to Belhar Calgro M3 Development Company (Pty) Ltd. In terms of the shareholders agreement the Group has a preferential right to a share of the profits before any distributions may be made to the other shareholder.*

33. Share-based payments

Accounting policy

Share-based compensation benefits are provided to employees via Share Appreciation Rights Schemes or Calgro M3 Share Schemes. Share Appreciation Rights Schemes are settled in cash, i.e. the employees do not receive shares or options at settlement. The year in which the employee renders services to the Group to obtain the award is the year in which the expense is recognised in the statement of comprehensive income with a corresponding increase recognised in the liability. The expense is determined by measuring the fair value of the liability at each year-end.

The fair value of shares granted to Directors and employees under Calgro M3 Share Schemes is recognised as an expense over the relevant service period. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period on a straight-line basis over the vesting period. If the share-based payments vest immediately, the services received are recognised in full.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Significant judgement and source of estimation uncertainty

Management uses generally accepted valuation methods to determine the value of the share-based payment schemes.

Summary of schemes

The Group currently has four active share remuneration schemes:

	Calgro M3 Executive Share Schemes		Calgro M3 Executive Share Schemes	
	Executive Share Scheme – FY20	Executive Share Scheme – FY24	Management Share Scheme – FY22	Management Share Scheme – FY24
Participants	Group Executive Directors	Group Executive Directors	Selected Management Personnel	Selected Management Personnel
Scheme rules	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met
Approval date	June 2019	May 2023	August 2021	August 2023
Commencement date	February 2019	May 2023	September 2021	September 2023
Vesting periods	Annually, in four equal tranches	Annually, in five equal tranches	Annually, in four equal tranches	Annually, in four equal tranches
First vesting date	March 2021	January 2024	September 2023	September 2025
Final vesting date	March 2024	January 2028	September 2026	September 2028
Service condition	Remain employed on each vesting date	Remain employed on each vesting date	Remain employed on each vesting date	Remain employed on each vesting date
Performance condition	Total shareholder return of 15%, 20% and 25% per vesting period, measured against the base price.	None	Total shareholder return of 20% per vesting period, measured against the base price.	Total shareholder return of 20% per vesting period, measured against the base price.
Base price	R7.95	R3.30	R2.72	R3.56

33. Share-based payments (continued)

Valuation of schemes

Valuation of the instruments for both schemes is achieved by performing a Monte Carlo simulation involving the CGR share, volatility, risk free rates, and certain dividend assumptions.

The process assumed is risk-neutral geometric Brownian motion. If vesting is achieved according to the vesting schedules, the number of shares issued to settle the vested share appreciation rights is calculated as:

N = TSR x (S – K)/S

where:

S	The 30-day VWAP of CGR on each vesting date
K	The base price; being the 30-day VWAP of CGR on commencement date
N	The number of share appreciation rights granted
TSR	The percentage vesting according to the vesting schedule

The maximum number of share appreciation rights ("SAR") to be issued to settle the outstanding shares at the reporting date are as follows:

Calgro M3 Share Scheme	Initial number of SAR	Number of SAR vested/ cancelled/ not vested	Remaining number of SAR
Executive Share Scheme – FY20	8 476 667	(4 976 667)	3 500 000
Executive Share Scheme – FY24	5 200 000	(1 040 000)	4 160 000
Management Share Scheme – FY22	4 665 036	(2 939 251)	1 725 785
Management Share Scheme – FY24	2 401 653	–	2 401 653
Total	20 743 356	(8 955 918)	11 787 438

Olive tree

33. Share-based payments (continued)

Reconciliation of schemes

The participants, their allocated shares and intrinsic values per scheme are as follows:

	Number of shares				Intrinsic value of schemes			
	Initial number of shares granted	Number of shares vested/ cancelled/ not vested	Remaining number of shares at reporting date	Number of shares to be issued per vesting period if conditions are met	Intrinsic value of share scheme on commencement date	Intrinsic value of shares vested/ cancelled/ not vested	Intrinsic value of share scheme on reporting date	Intrinsic value to be released per vesting period if conditions are met
Participant								
Executive – FY20@								
WJ Lategan	2 423 600	(2 423 600)	–	–	7 078 912	(7 078 912)	–	–
W Williams	1 759 745	(1 759 745)	–	–	5 139 910	(5 139 910)	–	–
WA Joubert	1 686 383	(1 686 383)	–	–	4 925 632	(4 925 632)	–	–
Total	5 869 728	(5 869 728)	–	–	17 144 454	(17 144 454)	–	–
Executive – FY24*								
SU Naicker	**1 200 000**	**(240 000)**	**960 000**	**240 000**	**3 960 000**	**(792 000)**	**3 168 000**	**792 000**
W Williams	**1 500 000**	**(300 000)**	**1 200 000**	**300 000**	**4 950 000**	**(990 000)**	**3 960 000**	**990 000**
WA Joubert	**1 500 000**	**(300 000)**	**1 200 000**	**300 000**	**4 950 000**	**(990 000)**	**3 960 000**	**990 000**
AJ Langson	**1 000 000**	**(200 000)**	**800 000**	**200 000**	**3 300 000**	**(660 000)**	**2 640 000**	**660 000**
Total	**5 200 000**	**(1 040 000)**	**4 160 000**	**1 040 000**	**17 160 000**	**(3 432 000)**	**13 728 000**	**3 432 000**
Total Executive	**11 069 728**	**(6 909 728)**	**4 160 000**	**1 040 000**	**34 304 454**	**(20 576 454)**	**13 728 000**	**3 432 000**
Management – FY22#								
SU Naicker	513 151	(513 151)	–	–	798 401	(798 401)	–	–
AJ Langson	355 950	(355 950)	–	–	553 815	(553 815)	–	–
CJ Erasmus	504 000	(504 000)	–	–	784 163	(784 163)	–	–
Other participants	936 206	(81 900)	854 306	213 576	1 456 624	(127 427)	1 329 197	332 299
Total	2 309 307	(1 455 001)	854 306	213 576	3 593 003	(2 263 806)	1 329 197	332 299
Management – FY24&								
Other participants	**976 898**	**–**	**976 898**	**244 224**	**1 304 088**	**–**	**1 304 088**	**326 022**
Total	**976 898**	**–**	**976 898**	**244 224**	**1 304 088**	**–**	**1 304 088**	**326 022**
Total Management	**3 286 205**	**(1 455 001)**	**1 831 204**	**457 800**	**4 897 091**	**(2 263 806)**	**2 633 285**	**658 321**
Total Group	**14 355 933**	**(8 364 729)**	**5 991 204**	**1 497 800**	**39 201 545**	**(22 840 260)**	**16 361 285**	**4 090 321**

@ *In the current year, WJ Lategan, W Williams and WA Joubert cancelled their remaining shares on this scheme. The remaining expense has been accelerated and the total balance associated with these shares has been reclassified from the share-based payment reserve to retained earnings.*

* *This share scheme was implemented in the current financial year. The vesting conditions were met for the first tranche of shares and subsequently transferred to each participant. The shares transferred to the participants were done utilising the treasury shares held by the Group.*

In the current year, SU Naicker and AJ Langson cancelled their remaining shares on this scheme and CJ Erasmus resigned. The remaining expense has been accelerated and the total balance associated with these shares has been reclassified from the share-based payment reserve to retained earnings.

& *This share scheme was implemented in the current financial year.*

33. Share-based payments (continued)

Reconciliation of share-based payments reserve

	Total reserve
2023	
Opening balance of reserve	10 645 975
Current year movements	(191 386)
Share-based payment expense recognised in equity	4 222 155
Reclassification to retained earnings	(4 413 541)
Vesting of shares	–
Closing balance of reserve	10 454 589
2024	
Opening balance of reserve	**10 454 589**
Current year movements	**(10 091 437)**
Share-based payment expense recognised in equity	**8 335 286**
Reclassification to retained earnings	**(13 798 723)**
Vesting of shares	**(4 628 000)**
Closing balance of reserve	**363 152**

34. Employee costs

Accounting policy

(a) *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 years.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(b) *Short-term benefits*

The costs of short-term employee benefits include those expected to be settled wholly within 12 months after the service is rendered, such as paid vacation leave, sick leave, and bonuses.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

(c) *Bonus plans*

The Group recognises an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation. The Group expects these liabilities to be settled within 12 months.

		2024	2023
Salary and wages		**69 594 165**	72 568 060
Share scheme expenses		**8 335 286**	4 222 154
Directors' emoluments	Note 36	**33 998 856**	39 890 355
Executive Directors*		**30 799 432**	36 756 363
Non-Executive Directors		**3 199 424**	3 133 992
Salary and wages		**111 928 307**	116 680 569
Less: Amounts allocated to qualifying assets (construction contracts)		**(55 244 654)**	(54 357 556)
Total employee costs and share appreciation rights settlement		**56 683 653**	62 323 013

* *The Executive Directors' emoluments include only the guaranteed remuneration, cash-settled long-term incentive and the short-term incentive.*

35. Related parties

All joint ventures are considered related parties to the Group. Refer to note 10 for a detailed list of all joint ventures.

(a) Related party balances

(i) Loans to joint ventures

During the year, loans have been issued to joint ventures, refer to note 9 for details.

(ii) Receivables from joint ventures

During the year, the Group issued receivables to joint ventures, refer to note 6.

(iii) Trade and other payables to related parties

	2024	2023
Trade payable – Calgro M3 Educational Trust	300 957	153 687
	300 957	153 687

(b) Related party transactions

(i) Key management personnel compensation

		2024	2023
Employee expenses – Directors and prescribed officers (including cash and non-cash)	Note 36	48 954 744	49 716 868
		48 954 744	49 716 868

(ii) Other transactions with joint ventures

	Finance income received		Net contract revenue received	
	2024	2023	2024	2023
Table View Properties (Pty) Ltd	16 252	11 535	–	–
Witpoortjie Calgro M3 Development Company (Pty) Ltd	41 840 681	23 238 279	4 831 445	55 947 881
South Hills Development Company (Pty) Ltd	2 525 792	674 175	160 409 681	116 268 645
	44 382 725	23 923 989	165 241 126	172 216 526

(iii) Shares issued and expense recognised for Directors and prescribed officers with respect to the Calgro M3 Share schemes – non-cash remuneration

	Share-based payment expense for 2024*	Share-based payment expense for 2023*	Number of shares granted
Directors			
WJ Lategan	1 415 782	1 415 782	2 423 599
W Williams	1 896 403	1 027 982	1 759 745
WA Joubert	1 853 548	985 127	1 686 383
SU Naicker	1 253 618	159 680	513 151
	6 419 351	3 588 571	6 382 878
Prescribed officers			
AJ Langson	966 618	110 763	–
CJ Erasmus (resigned 31 October 2023)	548 914	156 833	–
	1 515 532	267 596	–

* *This amount relates to the share-based payment expense recognised in the statement of comprehensive income and is not a cash consideration paid to Directors.*

Refer to note 34 for further details of share-based compensation benefits.

36. Directors' emoluments

Executive Directors

The remuneration noted below is for services rendered in connection with the carrying on of affairs of the business within the same group of companies and joint ventures.

	Remuneration and other benefits					
		Performance incentives#			Share-based payment transaction	
	Guaranteed remuneration	Short term	Long term*	Total	Share-based payment expense for 2024	Total expense
2024						
WJ Lategan	**4 716 670**	**3 989 650**	**1 544 604**	**10 250 924**	**1 415 782**	**11 666 706**
WA Joubert	**3 327 500**	**2 792 755**	**1 081 223**	**7 201 478**	**1 896 403**	**9 097 881**
W Williams	**3 327 500**	**2 792 755**	**1 081 223**	**7 201 478**	**1 853 548**	**9 055 026**
SU Naicker	**2 825 000**	**2 393 790**	**926 762**	**6 145 552**	**1 253 618**	**7 399 170**
Total Executive Directors	**14 196 670**	**11 968 950**	**4 633 812**	**30 799 432**	**6 419 351**	**37 218 783**
2023						
WJ Lategan	4 191 250	5 620 004	2 198 630	12 009 884	1 415 782	13 425 666
WA Joubert	3 137 557	4 136 564	1 618 286	8 892 407	1 027 982	9 920 389
W Williams	3 137 557	4 136 564	1 618 286	8 892 407	985 127	9 877 534
SU Naicker (appointed 1 March 2022)	2 325 056	3 332 777	1 303 832	6 961 665	159 680	7 121 345
Total Executive Directors	12 791 420	17 225 909	6 739 034	36 756 363	3 588 571	40 344 934

The performance incentive included above is split between a short-term incentive payable in the 2025 financial year and a long-term incentive vesting in two tranches starting in the 2026 financial year.

* **Long-term performance incentive**

The long-term cash incentive is calculated based on 50% of the short-term performance incentive in a given financial year.

This long-term performance incentive vests in two (2) tranches, with the first being twelve (12) months after the initial qualification and the second tranche vesting twenty-four (24) months after the initial qualification.

Due to the related vesting conditions, the long-term performance incentives are discounted to account for the time value of money.

36. Directors' emoluments (continued)

The first tranche of the 2023 long-term performance incentive will vest in May 2024.

	2023 long-term performance incentive[$]	2024 long-term performance incentive	Total long-term performance incentive	Incentive settled in FY24
2024				
WJ Lategan	2 533 138	1 544 604	4 077 742	–
WA Joubert	1 864 498	1 081 223	2 945 721	–
W Williams	1 864 498	1 081 223	2 945 721	–
SU Naicker	1 502 202	926 762	2 428 964	–
Total Executive Directors	7 764 336	4 633 812	12 398 148	–

$ *This balance includes the unwinding of the discounted value of the long-term performance incentive as disclosed in the prior year.*

Independent Non-Executive Directors

The remuneration noted below is for services rendered as a Director of the Group.

	2024	2023
H Ntene	621 031	622 720
RB Patmore	577 621	576 212
ME Gama	611 318	574 765
GS Hauptfleisch	526 318	496 765
SL Ntuli (resigned 17 June 2022)	–	94 750
TP Baloyi	406 818	405 765
TC Moodley	456 318	363 015
Total Non-Executive Directors	3 199 424	3 133 992
Summary		
Executive Directors	30 799 432	36 756 363
Non-Executive Directors	3 199 424	3 133 992
Total Directors	33 998 856	39 890 355

Prescribed officers

The prescribed officers' appointment, terms of contract and remuneration for the year under review are as follows:

	Date appointed as prescribed officer	Contract expiry
UK Kissoon Singh (resigned 31 May 2022)	2017/08/08	3 month notice
AJ Langson	2018/03/01	3 month notice
CJ Erasmus (resigned 31 October 2023)	2020/09/22	3 month notice

32 on Pine

36. Directors' emoluments (continued)

The remuneration noted below is for services rendered in connection with the carrying on of affairs of other companies in the same group.

	Remuneration and other benefits					
		Performance incentives#			Share-based payment transaction	
	Guaranteed remuneration	Short term	Long term*	Total	Share-based payment expense for 2024	Total expense
2024						
AJ Langson	**2 400 000**	**1 994 825**	**772 302**	**5 167 127**	**966 618**	**6 133 745**
CJ Erasmus (resigned 31 October 2023)	**1 853 878**	**–**	**–**	**1 853 878**	**548 914**	**2 402 792**
	4 253 878	**1 994 825**	**772 302**	**7 021 005**	**1 515 532**	**8 536 537**
2023						
UK Kissoon Singh (resigned 31 May 2022)	302 558	–	–	302 558	–	302 558
AJ Langson	1 832 557	650 000	–	2 482 557	110 763	2 593 320
CJ Erasmus	2 635 231	550 000	–	3 185 231	156 833	3 342 064
	4 770 346	1 200 000	–	5 970 346	267 596	6 237 942

The performance incentive included above is split between a short-term incentive payable in the 2025 financial year and a long-term incentive vesting in two tranches starting in the 2026 financial year.

*** Long-term performance incentive**

The long-term cash incentive is calculated based on 50% of the short-term performance incentive in a given financial year.

This long-term performance incentive vests in two (2) tranches, with the first being twelve (12) months after the initial qualification and the second tranche vesting twenty-four (24) months after the initial qualification.

Due to the related vesting conditions, the long-term performance incentives are discounted to account for the time value of money.

	2023 long-term performance incentive$	2024 long-term performance incentive	Total long-term performance incentive	Incentive settled in FY24
2024				
AJ Langson	**–**	**772 302**	**772 302**	**–**
CJ Erasmus (resigned 31 October 2023)	**–**	**–**	**–**	**–**
	–	**772 302**	**772 302**	**–**

$ *This balance includes the unwinding of the discounted value of the long-term performance incentive as disclosed in the prior year.*

37. Earnings per share (and other performance indicators)

Accounting policy

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the net profit attributable to ordinary shareholders.

Diluted earnings per share

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 and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect.

For the share schemes, a calculation is done to determine the number of the Group's shares that would be required at fair value to settle the monetary value of the rights, after deducting the unamortised share-based payment value. For the purposes of this calculation, the average annual market share price of the Group is used.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 issued by the South African Institute of Chartered Accountants ("SAICA").

		Gross pre-tax and non-controlling interest		Net	
		2024	2023	**2024**	2023
(a)	**Basic**				
	Profit attributable to shareholders	**269 920 620**	252 487 978	**196 640 694**	186 194 542
	Weighted average number of ordinary shares in issue	**102 409 678**	121 400 069	**102 409 678**	121 400 069
	Basic earnings per share (cents per share)	**263.57**	207.98	**192.01**	153.37

		Gross pre-tax and non-controlling interest		Net	
		2024	2023	**2024**	2023
(b)	**Diluted**				
	Profit attributable to shareholders	**269 920 620**	252 487 978	**196 640 694**	186 194 542
	Weighted average number of ordinary shares in issue	**102 409 678**	121 400 069	**102 409 678**	121 400 069
	Calgro M3 Share Schemes	**1 712 868**	4 892 169	**1 712 868**	4 892 169
	Fully diluted weighted average number of ordinary shares in issue	**104 122 546**	126 292 238	**104 122 546**	126 292 238
	Fully diluted earnings per share (cents per share)	**259.23**	199.92	**188.86**	147.43
(c)	**Headline**				
	Headline earnings is calculated as follows:				
	Profit attributable to shareholders	**269 920 620**	252 487 978	**196 640 694**	186 194 542
	Profit on disposal of property, plant and equipment and computer software	**–**	(236 179)	**–**	(236 179)
	Fair value adjustment in investment properties	**(2 200 069)**	–	**(2 200 069)**	–
	Profit used to determine headline earnings per share	**267 720 551**	252 251 799	**194 440 625**	185 958 363
	Weighted average number of ordinary shares in issue	**102 409 678**	121 400 069	**102 409 678**	121 400 069
	Headline profit per share (cents per share)	**261.42**	207.79	**189.87**	153.18
(d)	**Diluted headline**				
	Diluted headline earnings is calculated as follows:				
	Profit used to determine headline earnings per share	**267 720 551**	252 251 799	**194 440 625**	185 958 363
	Fully diluted weighted average number of ordinary shares in issue	**104 122 546**	126 292 238	**104 122 546**	126 292 238
	Fully diluted headline earnings per share (cents per share)	**257.12**	199.74	**186.74**	147.24

37. Earnings per share (and other performance indicators) (continued)

	Net 2024	Net 2023
(e) Net asset value per share		
Net asset value per share is calculated by dividing the net asset value, calculated by reducing the total assets by total liabilities, by the number of shares in issue.		
Total assets	**2 836 210 738**	2 659 063 172
Less: Total liabilities	**(1 552 319 132)**	(1 505 025 085)
Net assets	**1 283 891 606**	1 154 038 087
Number of ordinary shares in issue	**96 059 126**	121 400 069
Net asset value per share (cents per share)	**1 336.56**	950.61

38. Going concern

The Group financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has considered the Group's cash flow forecasts for the foreseeable future, with the consideration given to the uncertainty in operational performance, company specific risks and other wider macro economic environment risks.

The Group maintains sufficient liquidity throughout the period to furnish its liabilities as they fall due.

In considering the going concern assumption the following factors have a potential market impact on the Group:

- The current fluctuations in the interest rates and resulting interest hikes have not impacted the granting of 100% home loans in the lower to middle tier of the market; and
- Government committed to the need for dignified housing in South Africa. Our belief is that this will bring about new opportunities.

There are no financial or non-financial factors, including political and socio-economic factors, impacting the Group which need to be adjusted for within the cash flow forecasts.

39. Events after the reporting year

Exercise of option agreement

Subsequent to the end of the financial year Calgro M3 Land (Pty) Ltd ("Calgro M3") and Eris Property Group (Pty) Ltd ("Eris") exercised the option to purchase the Frankenwald property from The University of the Witwatersrand. This option was exercised through the Bankenveld District City (Pty) Ltd joint venture ("Bankenveld") which is 50% owned by both Calgro M3 and Eris. This strategic land purchase on the doorstep of Sandton is poised to deliver 20 000 to 30 000 housing units alongside significant commercial, retail and industrial spaces. The Bankenveld joint venture agreement provides for both shareholding companies to share the cost of the infrastructure installation. After which Calgro M3 will be responsible for the residential components development, while Eris will be handling the commercial, retail, industrial, educational and healthcare components for their own benefits.

Upon exercising the option on 1 March 2024, the Bankenveld joint venture is required to settle the option fee of R200 million which is equally contributed by Calgro M3 and Eris.

The timing of this payment remains uncertain and awaits the final approval from the Competition Commission.

Statement of financial position

	Notes	2024	2023
Assets			
Cash and cash equivalents	41	**1 168 491**	1 053 357
Trade and other receivables	42	**14 503 095**	6 244 728
Loans to Group companies	43	**726 085 840**	516 023 325
Investment in subsidiaries	44	**291 008 869**	291 008 869
Deferred income tax asset	45	**465 737**	13 500
Total assets		**1 033 232 032**	814 343 779
Equity and liabilities			
Equity			
Equity attributable to owners of the parent			
Stated capital	46	**192 254 895**	265 271 170
Retained income		**9 071 021**	8 478 616
Total equity		**201 325 916**	273 749 786
Liabilities			
Trade and other payables	47	**16 660 964**	11 168 635
Current income tax liabilities	48	**16 537**	223 765
Loans from Group companies	43	**92 248 418**	13 867 524
Borrowings	49	**722 980 197**	515 334 069
Total liabilities		**831 906 116**	540 593 993
Total equity and liabilities		**1 033 232 032**	814 343 779

The notes on pages 74 to 84 are an integral part of these financial statements.

Statement of comprehensive income

	Notes	2024	2023
Revenue	50	**6 870 000**	6 130 000
Other income	51	**2 000 000**	–
Administrative expenses	52	**(4 378 546)**	(4 248 264)
Finance income	53	**86 117 613**	40 556 508
Finance costs	54	**(90 468 899)**	(42 244 489)
Profit before tax		**140 168**	193 755
Taxation	55	**452 237**	(157 088)
Profit after taxation		**592 405**	36 667
Other comprehensive income		**–**	–
Total comprehensive income		**592 405**	36 667

The notes on pages 74 to 84 are an integral part of these financial statements.

Statement of changes in equity

	Stated capital	Retained income	Total equity
Balance at 1 March 2022	265 271 170	8 441 949	273 713 119
Comprehensive income			
Profit for the year	–	36 667	36 667
Other comprehensive income	–	–	–
Total comprehensive income	–	36 667	36 667
Balance at 1 March 2023	**265 271 170**	**8 478 616**	**273 749 786**
Shares repurchased	**(73 016 275)**	**–**	**(73 016 275)**
Comprehensive income			
Profit for the year	**–**	**592 405**	**592 405**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**–**	**592 405**	**592 405**
Balance at 29 February 2024	**192 254 895**	**9 071 021**	**201 325 916**
Note	46		

The notes on pages 74 to 84 are an integral part of these financial statements.

Statement of cash flows

	Notes	2024	2023
Cash generated from/(utilised in) operating activities			
Cash utilised in operations	56	**(6 508 054)**	(3 952 641)
Finance income received	53	**86 117 613**	40 556 508
Finance cost paid	49	**(77 485 874)**	(37 869 206)
Tax paid	57	**(207 228)**	(66 908)
Net cash generated from/(utilised in) operating activities		**1 916 457**	(1 332 247)
Cash flows invested in investing activities			
Loans to Group companies repaid		**78 000 000**	40 000 000
Loans to Group companies advanced		**(288 062 515)**	(230 000 000)
Net cash invested in investing activities		**(210 062 515)**	(190 000 000)
Cash flows advanced financing activities			
Loans from Group companies advanced	43	**348 423 956**	183 757 907
Loans from Group companies repaid	43	**(277 146 489)**	(181 437 379)
Shares repurchased		**(73 016 275)**	–
Proceeds from borrowings		**288 000 000**	230 000 000
Repayment of borrowings	49	**(78 000 000)**	(40 000 000)
Net cash advanced financing activities		**208 261 192**	192 320 528
Net increase in cash and cash equivalents		**115 134**	988 281
Cash and cash equivalents at the beginning of the year		**1 053 357**	65 076
Cash and cash equivalents at the end of the year	41	**1 168 491**	1 053 357

The notes on pages 74 to 84 are an integral part of these financial statements.

Notes to the company financial statements

Included in the notes to the Company financial statements are those accounting policies only applicable to the Company.

Where the same accounting policy applies to both the Consolidated and Separate Audited Annual Financial Statements refer to the applicable notes in the Consolidated Audited Annual Financial Statements.

40. Significant judgements and sources of estimation uncertainty

In preparing the Company financial statements, management applied estimates and assumptions in determining which investments to classify as subsidiaries.

Refer to the investments in subsidiaries note (refer to note 44).

Operating cycle

The order of liquidity provides a more reliable and relevant reflection of the nature of the Group's assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the Consolidated and Company Annual Financial Statements.

41. Cash and cash equivalents

Accounting policy

Refer to note 5 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2024	2023
Cash on hand	330	330
Bank balances	1 168 161	1 053 027
	1 168 491	1 053 357

42. Trade and other receivables

Accounting policy

Refer to note 6 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Financial instruments		
Trade receivables	24 897	–
Other receivables	14 478 198	6 244 728
Gross financial instruments	14 503 095	6 244 728
Non-financial instruments		
Value added tax	–	–
Total non-financial instruments	–	–
Total net financial instruments	14 503 095	6 244 728
Trade and other receivables to be realised within 12 months	14 503 095	6 244 728
Trade and other receivables to be realised after 12 months	–	–
	14 503 095	6 244 728

The maximum exposure to credit risk for these instruments at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security for trade and other receivables, other than as disclosed above.

43. Loans to/(from) Group companies

Accounting policy

These loans are classified as financial assets measured at amortised cost or financial liabilities measured at amortised cost.

The loans are unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand.

	Interest rate	Repayment terms	Security	2024	2023
Loans to Group companies					
The Calgro M3 Employee Benefit Trust	Interest free (2023: interest free)	On demand	Unsecured	**2 000**	2 000
The Calgro M3 Educational Benefit Trust	Interest free (2023: interest free)	On demand	Unsecured	**21 325**	21 325
Calgro M3 Developments (Pty) Ltd – Treasury#	JIBAR plus relevant margin	On demand	Unsecured	**726 062 515**	516 000 000
Loans to Group companies				**726 085 840**	516 023 325
Loans to Group companies to be settled within 12 months				**158 000 000**	128 000 000
Loans to Group companies to be settled after more than 12 months				**568 085 840**	388 023 325
				726 085 840	516 023 325
Loans from Group companies					
Calgro M3 Developments (Pty) Ltd	Prime (2023: prime)	On demand	Unsecured	**(34 690 688)**	(13 867 524)
Calgro M3 Developments (Pty) Ltd – share repurchases	Interest free	On demand	Unsecured	**(57 557 730)**	–
Loans from Group companies				**(92 248 418)**	(13 867 524)
Loans from Group companies cash flow reconciliation					
Opening balance				**(13 867 524)**	(11 546 996)
Loan repaid to Group companies				**277 146 489**	181 437 379
Loan advanced from Group companies				**(348 423 956)**	(183 757 907)
Interest accrued – non-cash				**(7 103 427)**	–
Closing balance				**(92 248 418)**	(13 867 524)

Refer to note 48 for further details on the Calgro M3 Developments (Pty) Ltd Treasury loans. The interest rate charged on the loans to or from Group companies is linked to the rate charged by the external debt providers.

The treasury loan is subject to JIBAR rates. The presumed replacement rate is the ZARONIA, which became an official rate during November 2023. None of the borrowings' rates have been renegotiated with funders as it is not yet clear when the JIBAR will officially cease to be used.

All loans to/(from) Group companies will be settled within the next 12 months for the current and prior year.

44. Investment in subsidiaries

Accounting policy

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

Significant judgement and sources of estimation uncertainty

Although the Group has a minority shareholding in Belhar Calgro M3 Development Company (Pty) Ltd, it does have control, as the Board comprises only of representatives from the Group.

The Group appoints the chairman which has the casting vote. The investment is therefore accounted for as a subsidiary as the Group has control over the relevant activities of the entity.

Name of company	% voting power 2024	% voting power 2023	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Direct shareholding in subsidiaries						
Calgro M3 Developments (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**291 008 869**	291 008 869
Calgro M3 Real Estate (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Memorial Parks Holding (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
					291 008 869	291 008 869
Indirect shareholding in subsidiaries						
Subsidiaries of Calgro M3 Developments (Pty) Ltd						
Calgro M3 Land (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**188 146 234**	188 146 234
Calgro M3 Project Management (Pty) Ltd^	**100.00%**	100.00%	**100.00%**	100.00%	**100**	4 500 100
MS5 Projects (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Calgro M3 Rectification Company (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Procurement Management (Pty) Ltd#%	**100.00%**	100.00%	**49.00%**	49.00%	**–**	–
Subsidiaries of Calgro M3 Land (Pty) Ltd						
Fleurhof Ext 2 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**243 000 000**	243 000 000
Clidet No 1014 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Belhar Calgro M3 Development Company (Pty) Ltd*	**51.00%**	51.00%	**49.00%**	49.00%	**49**	49
CM3 Witkoppen Ext 131 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Tres Jolie Ext 24 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Ridgewood Estate (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Business Venture Investment No 1244 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Business Venture Investment No 1221 (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**100**	100
Calgro M3 Jabulani (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Sabre Homes Projects (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**1 002**	1 002
32 on Pine Property Development (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**3 000 000**	3 000 000

44. Investment in subsidiaries (continued)

Name of company	% voting power 2024	% voting power 2023	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Subsidiaries of Calgro M3 Project Management (Pty) Ltd						
CTE Consulting (Pty) Ltd*	**0.00%**	100.00%	**0.00%**	100.00%	**–**	4 500 100
Holm Jordaan GWA (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Subsidiaries of Calgro M3 Procurement Management (Pty) Ltd						
Calgro M3 Procurement Services (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Contractors (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Property Sales (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
CTE Consulting (Pty) Ltd*#	**100.00%**	0.00%	**100.00%**	0.00%	**4 500 100**	–
Subsidiaries of Calgro M3 Memorial Park Holding (Pty) Ltd						
Calgro M3 Memorial Park Bloemfontein (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Municipal Memorial Parks (Pty) Ltd#	**100.00%**	100.00%	**100.00%**	100.00%	**–**	–
Calgro M3 Memorial Parks Nasrec (Pty) Ltd	**100.00%**	100.00%	**100.00%**	100.00%	**54 755 699**	54 755 699
					493 403 884	497 903 884

 # These companies have been incorporated under the new Companies Act 71 of 2008. The value of the shares are stated at no par value.
% Although Calgro M3 Developments only has 49% shareholding in the company, it has all the voting rights in the company.
^ During the year, Calgro M3 Project Management (Pty) Ltd bought back a share from Calgro M3 Developments (Pty) Ltd to the value of R4 500 000.
** During the year, Calgro M3 Project Management (Pty) Ltd sold its shareholding in CTE Consulting (Pty) Ltd to Calgro M3 Procurement Management (Pty) Ltd to the value of R4 500 100.*

On 12 February 2016, the Company founded the Calgro M3 Empowerment Trust and the Calgro M3 Employment Benefit Trust. In accordance with the principles of IFRS, both the trusts are controlled by the Company and are considered to be agents of the Company. There is no financial impact on transactions between the Company and the trusts. Both trusts are registered in South Africa and their year ends are consistent with the Group.

All subsidiaries are incorporated in South Africa. The year-ends of all the direct and indirect subsidiaries are consistent with those of the Company.

45. Deferred income tax assets

Accounting policy and note
Refer to note 16 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Reconciliation of deferred tax asset		
Opening balance	**13 500**	–
Statement of comprehensive income charge	**452 237**	13 500
	465 737	13 500
Deferred tax assets		
Tax losses available for set off against future taxable income	**452 237**	–
Provisions	**13 500**	13 500
	465 737	13 500
Deferred tax asset		
Deferred tax assets to be recovered within 12 months	**465 737**	13 500
Deferred tax assets to be recovered after more than 12 months	**–**	–
	465 737	13 500

46. Stated capital

Accounting policy and note
Refer to note 17 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	Number of shares		Rand amount	
	2024	2023	2024	2023
Authorised				
Ordinary no par value shares	**500 000 000**	500 000 000		

	Number of shares		Rand amount	
	2024	2023	2024	2023
Issued				
Balance at the beginning of the year (consisting of)				
Shares in issue to the public	**129 868 700**	129 868 700	**265 271 170**	265 271 170
Shares issued to Calgro M3 Employee Benefit Trust*	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Shares issued to Calgro M3 Empowerment Trust*	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Total shares in issue	**140 294 518**	140 294 518	**473 750 424**	473 750 424
Treasury shares in issue*	**(10 997 818)**	(10 425 818)	**(208 479 254)**	(208 479 254)
– Balance at the beginning of the year	**(10 425 818)**	(10 425 818)	**(205 933 854)**	(208 479 254)
– Issued to share scheme participants%	**(572 000)**	–	**(2 545 400)**	–
Shares repurchased#	**(25 912 943)**	–	**(73 016 275)**	–
Balance at the end of the year	**103 383 757**	129 868 700	**192 254 895**	265 271 170

* *These shares relate to the shares issued to the Calgro M3 Empowerment Trust and the Calgro M3 Employee Benefit Trusts. In accordance with the principles of IFRS, the trusts are controlled by the Company and are considered agents of the Company.*

% *Shares issued in terms of Calgro M3 Executive Share Scheme:*
During the current year, shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY24" (Refer to note 34). In terms of the scheme rules, the participants elected a net settlement option, under this option the group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 1 040 000 shares, with an associated tax liability equating to 468 000 shares. The remaining 572 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments (Pty) Ltd at a value of R4.45 per share.

Specific repurchase of shares:
During the current year, ordinary shares were repurchased in line with the general authority granted to the Board of Directors as per the special resolution passed during the 2022 and 2023 Annual General Meetings. From 15 March 2023 to 4 December 2023, a total of 25.9 million shares were repurchased for a total value of R73 million at an average price of R2.92 per share, representing 18.5% of the issued ordinary share capital before any repurchases were made. These repurchased shares were cancelled, delisted and reverted to authorised and unissued shares.

All issued shares are fully paid.

Unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

47. Trade and other payables

Accounting policy

Refer to note 18 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Financial instruments		
Trade payables	**94 939**	469 806
Accrued expenses	**16 549 690**	10 523 956
Gross financial instruments	**16 644 629**	10 993 762
Non-financial instruments		
Value added tax	**16 335**	174 873
Total non-financial instruments	**16 335**	174 873
Total trade and other payables	**16 660 964**	11 168 635

All trade and other payables will be settled within the next 12 months for the current and prior year.

48. Current income tax liabilities

		2024	2023
Opening balance		**(223 765)**	(120 085)
Local income tax – current year	Note 55	**–**	(170 588)
Payments during the current year	Note 57	**207 228**	66 908
Closing balance		**(16 537)**	(223 765)
Current income tax liabilities		**(16 537)**	(223 765)
		(16 537)	(223 765)

49. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. Refer to the financial instruments accounting policy note for further details.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. The fee is amortised over the life of the facility.

	Interest rate	Expiration date	2024	2023
Floating rate note – CGR 42	JIBAR plus 4.5%	3 August 2023	**–**	45 000 000
Floating rate note – CGR 47	JIBAR plus 4.5%	28 February 2025	**60 000 000**	60 000 000
Floating rate note – CGR 48	JIBAR plus 4.25%	30 September 2023	**–**	50 000 000
Floating rate note – CGR 49	JIBAR plus 4.75%	30 September 2024	**50 000 000**	50 000 000
Floating rate note – CGR 50	JIBAR plus 4.25%	23 October 2023	**–**	33 000 000
Floating rate note – CGR 51	JIBAR plus 4.75%	23 October 2024	**48 000 000**	48 000 000
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2025	**50 000 000**	50 000 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2027	**40 000 000**	40 000 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	**40 000 000**	40 000 000
Floating rate note – CGR 55	JIBAR plus 3.9%	2 October 2026	**50 000 000**	–
Floating rate note – CGR 56	JIBAR plus 3.9%	2 October 2026	**33 000 000**	–
Term loan 1#	JIBAR plus 5%	12 October 2027	**100 000 000**	100 000 000
Term loan 2#	JIBAR plus 4.5%	25 April 2028	**155 000 000**	–
Term loan 3#	JIBAR plus 4.25%	15 Nov 2028	**100 000 000**	–
Transaction cost amortisation*			**(3 019 803)**	(665 931)
Total borrowings			**722 980 197**	515 334 069

* *The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.*

\# *The following repayment terms are applicable to the term loans:*

- *Term loan 1 is repayable in one instalment in October 2027.*
- *Term loan 2 is repayable in four equal instalments, starting from September 2027.*
- *Term loan 3 is repayable in four equal instalments, starting from March 2028.*

All borrowings are unsecured.

As at year-end, all floating rate notes listed on the DMTN listed debt programme were in compliance with the programme memorandum.

All borrowings are subject to JIBAR rates. The presumed replacement rate is the ZARONIA, which became an official rate during November 2023. None of the borrowings' rates have been renegotiated with funders as it is not yet clear when the JIBAR will officially cease to be used.

49. Borrowings (continued)

The table below provides information regarding the present value of the borrowings to be settled within 12 months and after 12 months. For the undiscounted cash flows related to borrowings, refer to note 3.

	2024	2023
Borrowings to be settled within 12 months	158 000 000	128 000 000
Borrowings to be settled after more than 12 months	564 980 197	387 334 069
	722 980 197	515 334 069
Borrowings cash flow reconciliation		
Opening balance	(515 334 069)	(325 456 360)
Repayments of borrowings	78 000 000	40 000 000
Proceeds from borrowings	(288 000 000)	(230 000 000)
Borrowings raised – CGR 55 raised to repay CGR 48 (non-cash item)	50 000 000	–
Borrowings (repaid) – CGR 48 repaid by CGR 55 (non-cash item)	(50 000 000)	–
Net transaction costs amortised	2 353 872	122 291
Amortised expense through the statement of comprehensive income	(698 583)	(505 085)
Transaction costs paid	3 052 455	627 376
Closing balance	(722 980 197)	(515 334 069)
Interest paid on borrowings	77 485 874	37 869 206
Total interest paid on borrowings	77 485 874	37 869 206

General

The Directors have not breached the requirements of the Company's Memorandum of Incorporation in terms of their borrowing powers.

50. Revenue

Accounting policy

Revenue only consists of management fees. Management fees are charged by the Company to its subsidiary, Calgro M3 Developments (Pty) Ltd, for providing the relevant infrastructure and support to operate the subsidiary and are recognised over time as the services are performed on a monthly basis, which coincides with the billing which also occurs on a monthly basis in arrears.

This service is consumed as the benefit is provided to the customer.

Refer to the related party note 58.

		2024	2023
Management fees		6 870 000	6 130 000
		6 870 000	6 130 000
51. Other income			
Dividend received		2 000 000	–
		2 000 000	–
52. Administrative expenses			
Auditor's remuneration – non-audit		–	233 909
Bank charges		29 384	38 821
Directors' fees – Non-Executive	Note 37	3 199 424	3 133 992
Listing expenses		179 471	335 485
Professional fees		394 654	259 182
Secretarial services		524 457	336 610
Subscriptions		45 748	38 806
Sundry expenses		5 408	(128 541)
Total administration expenses		4 378 546	4 248 264

53. Finance income

Accounting policy
Refer to note 27 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Bank	3 251 267	182 699
Other	199 457	–
Interest on Group loans	82 666 889	40 373 809
Finance income	**86 117 613**	40 556 508

54. Finance cost

Accounting policy
Refer to note 28 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Interest on Group loans	7 103 427	1 365 212
Borrowings	83 365 472	40 879 277
Finance cost	**90 468 899**	42 244 489

55. Taxation

Accounting policy
Refer to note 29 of the Consolidated and Separate Audited Annual Financial Statements for the applicable accounting policy.

	2024	2023
Major components of the income tax expense		
Current		
Current year	–	170 588
	–	170 588
Deferred		
Current year	(452 237)	(13 500)
	(452 237)	(13 500)
Total current and deferred tax expense	(452 237)	157 088
Reconciliation of the income tax expense		
Applicable tax rate	27.00%	28.00%
Disallowable charges – listing expenses	35.61%	52.82%
Non-taxable income*	(385.25%)	0.00%
Rate adjustment	(0.00%)	0.26%
Effective tax rate	(322.64%)	81.08%

* *This relates to the dividend received (note 50) from Calgro M3 Developments (Pty) Ltd, a wholly owned subsidiary of the Company.*

56. Cash utilised in operations

	2024	2023
Profit before tax	140 168	193 755
Adjustments for:		
Finance income	(86 117 613)	(40 556 508)
Finance cost	90 468 899	42 244 489
Trade and other receivables	(8 258 367)	–
Trade and other payables	(2 741 141)	(5 834 377)
	(6 508 054)	(3 952 641)

57. Taxation paid

	2024	2023
Balance at the beginning of the year	(223 765)	(120 085)
Current tax for the year	–	(170 588)
Balance at the end of the year	16 537	223 765
	(207 228)	(66 908)

58. Related parties

Subsidiaries

Refer to note 44 for a detailed list of all subsidiaries of the Company.

Related party balances

Refer to note 43 for loans (from)/to Group companies.

Related party transactions

	Management fees received		Finance income		Finance costs	
	2024	2023	**2024**	2023	**2024**	2023
Calgro M3 Developments (Pty) Ltd	**6 870 000**	6 130 000	**82 666 889**	40 373 809	**7 103 427**	1 365 212
	6 870 000	6 130 000	**82 666 889**	40 373 809	**7 103 427**	1 365 212

59. Financial assets and liabilities by category

	Financial assets at amortised cost		Financial liabilities at amortised cost		Fair values	
	2024	2023	**2024**	2023	**2024**	2023
Cash and cash equivalents	**1 168 491**	1 053 357	**–**	–	**1 168 491**	1 053 357
Trade and other receivables	**14 503 095**	6 244 728	**–**	–	**14 503 095**	6 244 728
Loans to Group companies	**726 085 840**	516 023 325	**–**	–	**726 085 840**	516 023 325
Trade and other payables	**–**	–	**(16 644 629)**	(10 993 762)	**(16 644 629)**	(10 993 762)
Loans from Group companies	**–**	–	**(34 690 688)**	(13 867 524)	**(34 690 688)**	(13 867 524)
Borrowings	**–**	–	**(722 980 197)***	(515 334 069)*	**(740 478 198)***	(521 578 797)*
	741 757 426	523 321 410	**(774 315 514)**	(540 195 355)	**(50 056 089)**	(23 118 673)

* *Included in this balance are the borrowings relating to the DMTN listed debt programme where the fair value is based on quoted prices on the Bond Exchange.*

60. Risk management

Financial risk management

Due to the fact that the Company is a holding company, the most significant risks the company is exposed to are market risk (via cash flow interest rate), credit risk and liquidity risk.

(i) *Market risk (cash flow interest rate risk)*

The Company has interest-bearing loans to and from Group companies. The loans issued at variable rates expose the Company to cash flow interest rate risk. The Group Executive Committee monitors the interest of the Company on a cash basis. Refer to the finance income (note 53) and finance cost (note 54) notes for the interest received/paid.

The impact on post-tax profit of a 2% shift in the interest rate would be a maximum increase/decrease of:

	2024	2023
2% increase/(decrease) on finance charges on interest-bearing borrowings	**11 902 338**	7 620 503
2% increase/(decrease) on finance income on interest-bearing assets	**10 600 853**	7 430 736

A 2% shift is considered appropriate by management taking into account the current economic environment in which the Group operates.

(ii) *Credit risk*

Credit risk consists mainly of loans to Group companies, cash deposits and cash equivalents.

The Company only deposits cash with major banks with a minimum rating of 'BB' and limits the exposure to any one counter party. No credit risk is associated to other receivables as this consists of prepayments.

The Company considers its credit risk relating to the loans owing by Group companies on a case-by-case basis. Any credit risk related to loans to Group companies is mitigated by the fact that management has insight into the financial position of the Group companies as a result of the relationship.

The treasury loans with Calgro M3 Developments (Pty) Ltd (refer to note 43) is directly linked to the repayment of the borrowings and its maturity profile (refer to note 49). In line with the DMTN listed programme, Calgro M3 Developments (Pty) Ltd guarantees the repayment of the listed debt programme. Based on cash flow forecasts and maturity analysis performed, sufficient cash flow will be available to settle the treasury loan, and in turn the borrowings. As Calgro M3 Developments (Pty) Ltd is solvent and liquid, no expected credit loss provision was recognised on the treasury loan as there was no probability of default.

For loans to Group companies and cash and cash equivalents, the maximum exposure to credit risk is limited to what is disclosed in the statement of financial position.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, as well as the availability of funding through an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, the Executive Committee maintains flexibility in funding by maintaining availability under committed credit lines.

The Company manages liquidity risk by monitoring forecasted cash flows.

The Company strives to match the maturity profile of borrowings with expected cash flows from the development projects.

A specific liquidity risk associated with the Company is the raising of loans at specified dates of repayment, against delivery of construction projects that have the same maturity profile.

The related cash inflows from these construction projects are however uncertain and dependent on factors not under the control of the Company.

The financial liabilities to be settled within one year will be funded by cash and cash equivalents as well as the realisation of the treasury loans.

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining year at the reporting year date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows which include future interest payable. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

60. Risk Management (continued)

(iii) *Liquidity risk* (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
2024						
Financial instruments recognised on the statement of financial position						
Borrowings (including future interest)	**247 803 109**	**159 142 022**	**141 488 291**	**265 378 819**	**197 418 143**	**1 011 230 384**
Trade and other payables	**16 644 629**	**–**	**–**	**–**	**–**	**16 644 629**
	264 447 738	**159 142 022**	**141 488 291**	**265 378 819**	**197 418 143**	**1 027 875 013**
2023						
Financial instruments recognised on the statement of financial position						
Borrowings (including future interest)	189 529 029	255 587 595	182 249 174	115 570 006	154 136 671	897 072 475
Trade and other payables	4 749 034	–	–	–	–	4 749 034
	194 278 063	255 587 595	182 249 174	115 570 006	154 136 671	901 821 509

The above amounts will be repaid by utilising cash generated from operations, available cash, working capital facilities and the refinancing of borrowings.

In line with the DMTN listed programme, Calgro M3 Developments (Pty) Ltd guarantees the repayment of the listed debt programme.

61. Directors' and prescribed officers' emoluments

Please refer to note 36 of the Consolidated Financials for the emoluments paid to Executive Directors, Non-Executive Directors and prescribed officers.

62. Going concern

The Group maintains a central treasury function whereby financial assistance is monitored and maintained. The Company has received commitment from Calgro M3 Developments (Pty) Ltd, its main trading subsidiary who will provide additional liquidity to the entity, which will enable Calgro M3 Holdings Limited to pay its liabilities as they fall due.

The Company financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

63. Events after the reporting year

Exercise of option agreement

Subsequent to the end of the financial year Calgro M3 Land (Pty) Ltd ("Calgro M3") and Eris Property Group (Pty) Ltd ("Eris") exercised the option to purchase the Frankenwald property from The University of the Witwatersrand. This option was exercised through the Bankenveld District City (Pty) Ltd joint venture ("Bankenveld") which is 50% owned by both Calgro M3 and Eris. This strategic land purchase on the doorstep of Sandton is poised to deliver 20 000 to 30 000 housing units alongside significant commercial, retail and industrial spaces. The Bankenveld joint venture agreement provides for both shareholding companies to share the cost of the infrastructure installation. After which Calgro M3 will be responsible for the residential components development, while Eris will be handling the commercial, retail, industrial, educational and healthcare components for their own benefits.

Upon exercising the option on 1 March 2024, the Bankenveld joint venture is required to settle the option fee of R200 million which is equally contributed by Calgro M3 and Eris.

The timing of this payment remains uncertain and awaits the final approval from the Competition Commission.

General information

Calgro M3 Holdings Limited
Incorporated in the Republic of South Africa

Registration Number
2005/027663/06

Share code
CGR

ISIN
ZAE000109203

Registered office
Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Business address
Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal address
Private Bag X33
Craighall
2024

Published
13 May 2024

Transfer Secretaries
Computershare Investor Services

Bankers
First National Bank
Standard Bank
Nedbank

Auditor
Mazars
Registered Auditor

Debt and equity sponsors
PSG Capital

Appointed Debt Officer
WA Joubert

Secretary
Juba Statutory Services (Pty) Ltd, represented by Sirkien van Schalkwyk

Directors

W Williams	Executive
WA Joubert	Executive
WJ Lategan	Executive
SU Naicker	Executive
GS Hauptfleisch	Independent Non-Executive
H Ntene	Independent Non-Executive Chairman
ME Gama	Independent Non-Executive
RB Patmore	Independent Non-Executive
TP Baloyi	Independent Non-Executive
TC Moodley	Non-Executive

Preparer
The financial statements were internally compiled by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

Level of assurance
These financial statements have been audited by our external auditor Mazars in accordance with the applicable requirements of the Companies Act 71 of 2008.

maxx

South Hills

Durbanville Memorial Park

CALGRO M3
Group

www.calgrom3.com