



Audited
summary
results for the
year ended
31 December 2023

25 YEARS OF EXCELLENCE



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FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2023

+32% RECURRING HEPS
From 55.4 cents to 73.2 cents

+19% HEPS
From 61.4 cents to 73.2 cents

+32% DIVIDEND
From 11.08 cents to 14.64 cents

+2% AVERAGE LEARNER NUMBERS
From 70 724 to 72 031

+15% REVENUE
From R4 156m to R4 764m

+25% EBITDA
From R926m to R1 155m

Every child matters

Celebrating 25 years in 2023, Curro is proud of its learner-centered approach. This has guided the group to harness capital and resources to offer exceptional, quality education to so many communities.

The 2023 matric class achieved excellent results and Curro is ambitiously expanding extramural opportunities to prepare versatile learners for a bright future.

Financial results for the year

The group is pleased to report strong growth in revenue and profitability for the year. Recurring headline earnings for the year increased by 29% to R426 million (2022: R330 million) and the group's operating margin expanded to 17.8% (2022: 15.5%).

Curro's weighted average number of learners for 2023 increased by 2% to 72 031 learners (2022: 70 724) and revenue increased by 15% to R4 764 million (2022: R4 156 million).

Tuition fees increased by 12% due to the growth in learner numbers, coupled with price-mix across grades and annual fee increases. Revenue growth was supported by an increase in ancillary revenue, which was R120 million and 33% higher than in the previous year. Discounts granted decreased to 7% of tuition fees from 8% in the previous year.

Employee costs increased by 9% and other expenses by 21%. On a like-for-like basis, if the acquisitions of HeronBridge College in 2022 and Courtney House International School in 2023 are excluded, employee costs increased by 7% and other costs by 19%.

Other expenses increased in relation to the growth in the learner numbers and high levels of learner participation and engagement on campuses. Accordingly, the ratio of other expenses to revenue in the current year was higher than in the previous year, driven by additional extramural activity and increased costs associated with the growth in ancillary services.

The ageing and quality of outstanding debtors accounts continued to improve. As a result, the expected credit losses of R128 million provided for during the year is lower than the R147 million provided last year. The remaining debtor's book, net of the expected credit loss provision, consists of R175 million (2022: R137 million) of actively enrolled accounts and R124 million (2022: R112 million) of inactive accounts.

Schools' EBITDA (earnings before interest, taxation, depreciation, amortisation and head office expenditure) increased by 21% to R1 448 million in 2023, while group EBITDA (after head office expenditure) increased by 25% to R1 155 million (2022: R926 million).

Headline earnings and headline earnings per share ('HEPS') increased by 17% from R365 million to R426 million and by 19% from 61.4 cents to 73.2 cents, respectively.

Recurring headline earnings and recurring headline earnings per share ('RHEPS') increased by 29% to R426 million (2022: R330 million) and by 32% to 73.2 cents (2022: 55.4 cents), respectively.

Earnings per share ('EPS') of 7.0 cents for the year under review was impacted by impairment charges and decreased by 83% from the 40.1 cents in the previous year.

Curro recognised impairments of R378 million (2022: R127 million), net of tax, relating to lower-yielding school assets. This was based on the annual impairment assessment reviews of the business plans for each school.

These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS and RHEPS and accounts for the key differences between RHEPS, HEPS and EPS in the 2023 and 2022 financial years.

In addition, in the previous financial year, non-recurring subsidy income of R25 million and a reduction in deferred tax by R23 million (due to the change in the South African corporate tax rate) were included in the calculation of EPS and HEPS but were removed for purposes of the calculation of RHEPS.

Funding and cash flows

Curro is in a healthy financial position after another credible operating performance and strong cash flows during the 2023 financial year.

The group generated R875 million in cash from its operating activities, 9% higher than in the previous year, despite higher tax and interest payments.

Total debt, net of cash and investments in money market funds, marginally increased from R3 127 billion on 31 December 2022 to R3 236 billion on 31 December 2023. During June 2023, GCR Ratings upgraded both the long- and short-term national scale issuer ratings assigned to Curro by two levels, from BBB+(ZA) and A2(ZA), to A(ZA) and A1(ZA) respectively, with a stable outlook.

The company acquired and cancelled 11.5 million of its shares for R102 million up to 31 December 2023 and plans to continue to buy back shares in 2024 from excess free cash flows.

Investment

Curro's primary focus in the short to medium term is to support and increase the capacity utilisation of its existing facilities.

Curro invested R715 million in its business during the year, which includes the acquisition of Courtney House International School.

Other investing activities of R37 million in the statement of cash flows represent the aggregate net decrease in money market investments and other financial assets (2022: R34 million decrease).

Dividend

The board has resolved to pay a final dividend of 14.64 cents per share (2022: 11.08 cents) from income reserves for the year ended 31 December 2023. The dividend amount, net of South African dividend tax of 20%, is 11.7120 cents per share.

It is the board's policy to pay 20% of recurring headline earnings as an annual dividend on the premise that growth in cash generation shall continue in the future.

The number of ordinary shares in issue at the declaration date is 581 555 012, and the income tax number of the company is 915/907/00/29.

The salient dates for this dividend distribution are as follows:

- Declaration date: Tuesday, 5 March 2024
- Last day to trade cum dividend: Tuesday, 9 April 2024
- Trading ex-dividend commences: Wednesday, 10 April 2024
- Record date: Friday, 12 April 2024
- Payment date: Monday, 15 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 April 2024 and Friday, 12 April 2024.

Prospects

Curro had 73 159 registered learners on 5 February 2024, which increased by 1.6% from the 72 031 weighted average learners in 2023.

Curro's results show fortitude in a strained economic environment. The extent to which learner numbers sustained and increased shows how much our customers trust Curro in the quality education space.

Reassuringly, the group increased its operating margin during this period and for the first time since its inception in 1998, Curro generated more cash from its operations than what we invested in capital expenditure. We are confident that this trend will continue and that the group and its customers should benefit from a lower interest rate environment.

Curro will invest up to R700 million in capital projects during 2024 to maintain, replace and expand its facilities and accommodate the strong demand for high school tuition.

The business is resilient and Curro is committed to high quality learning and teaching as our first priority. We look forward to excellent academic results for the class of 2024.

On behalf of the board



SL Botha
Chairperson

4 March 2024



JP Loubser
Chief Executive Officer



Curro Midrand

KEY RATIOS (unaudited)

	31 Dec 21	31 Dec 22	31 Dec 23	5 Feb 24
Number of campuses	76	77	78	81
Number of schools	178	181	182	189
Average number of learners	66 447	70 724	72 031	73 159
Average number of learners per campus	874	918	923	903
Number of employees	6 150	6 557	6 756	
Number of teachers	3 579	3 835	3 935	
Learner/teacher ratio	18.6	18.4	18.3	
Building size (m ²)	772 251	789 296	798 005	
Land size (ha)	549	581	578	
Capital invested (R million)	929	1 115	715	



Curro Chartwell



Independent auditor's report on the summary consolidated financial statements

To the shareholders of Curro Holdings Limited

Opinion

The summary consolidated financial statements of Curro Holdings Limited, set out on pages 10 to 17, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Curro Holdings Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 4 March 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.

Director: Onalenna Halenyane
Registered Auditor

Stellenbosch, South Africa
4 March 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
Revenue from contracts with customers (note 4)	14%	4 719	4 156
Other income ¹	n/a	45	–
Revenue	15%	4 764	4 156
Employee costs	9%	(2 238)	(2 054)
Expected credit losses on financial assets	(13%)	(128)	(147)
Other expenses	21%	(1 243)	(1 029)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) ²	25%	1 155	926
– Schools' EBITDA	21%	1 448	1 195
– Head office's EBITDA	9%	(293)	(269)
Amortisation	6%	(70)	(66)
Depreciation	11%	(238)	(215)
Earnings before interest and taxation (Adjusted EBIT) ²	31%	847	645
Interest income	8%	54	50
Once-off income	n/a	–	25
(Loss) / profit on sale of property, plant and equipment	n/a	(10)	1
Impairment of property, plant and equipment	144%	(397)	(163)
Reversal of impairment of property, plant and equipment	n/a	45	–
Impairment of intangible assets	225%	(26)	(8)
Impairment of goodwill	n/a	(87)	(3)
Finance costs	27%	(328)	(258)
Profit before taxation	(66%)	98	289
Taxation	22%	(66)	(54)
Profit for the year	(86%)	32	235
Other comprehensive income			
Net fair value gain on cash flow hedges	n/a	–	37
Exchange differences on translating foreign operation	n/a	2	(1)
Total comprehensive income for the year	(87%)	34	271
Profit attributable to:			
Owners of the parent	(83%)	41	239
Non-controlling interest	125%	(9)	(4)
	(86%)	32	235
Total comprehensive income attributable to:			
Owners of the parent	(84%)	43	275
Non-controlling interest	125%	(9)	(4)
	(87%)	34	271

¹ This is indicated separately on the statement of comprehensive income as required by IFRS Accounting Standards, which necessitate distinct disclosure for income not tied to contracts from customers. Similar income streams were received in the past.

² Adjusted EBITDA takes a headline approach and represent EBITDA excluding impairment, bargain purchase gains, once-off income and profit or loss on sale of assets. Adjusted EBIT takes the same approach as for adjusted EBITDA.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
Reconciliation of headline and recurring headline earnings:			
Earnings attributable to owners of the parent		41	239
Adjusted for:			
Loss on impairment, net of deferred tax		378	127
Loss / (profit) on sale of property, plant and equipment		7	(1)
Headline earnings	17%	426	365
Change in tax rate		–	(23)
Once-off income		–	(25)
Taxation pertaining to once-off income		–	7
Non-controlling interest		–	6
Recurring headline earnings	29%	426	330
Earnings per share (cents)			
– Basic	(83%)	7.0	40.1
– Diluted	(82%)	7.0	39.9
Headline earnings per share (cents)			
– Basic	19%	73.2	61.4
– Diluted	20%	73.2	61.0
Recurring headline earnings per share (cents)	32%	73.2	55.4
Number of shares in issue (millions)			
– Basic		575.0	588.0
– Total issued at beginning of year		588.0	598.0
– Shares repurchased		(11.0)	–
– Treasury shares		(2.0)	(10.0)
– Diluted		575.0	588.0
Weighted average number of shares in issue (millions)			
– Basic		582.0	594.0
– Diluted		582.0	598.0
Margins			
– EBITDA margin ²		24.2%	22.3%
– Schools' EBITDA margin ²		30.4%	28.8%
– Operating margin		17.8%	15.5%

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2023 R million	Audited Restated 31 Dec 2022 R million
ASSETS		
Non-current assets	11 681	11 689
Property, plant and equipment	10 543	10 487
Right-of-use assets	311	289
Goodwill	536	602
Other intangible assets	261	300
Other financial assets at amortised cost	25	3
Other financial assets at fair value (note 6)	5	8
Current assets	553	535
Trade receivables (note 5)	299	249
Other receivables	141	118
Inventories	17	14
Current tax receivable	3	3
Other financial assets at amortised cost	8	30
Other financial assets at fair value (note 6)	4	1
Investment in money market funds	17	57
Cash and cash equivalents	64	63
Non-current assets held for sale	76	40
Total assets	12 310	12 264
EQUITY		
Equity attributable to owners of the parent	7 151	7 270
Share capital	5 988	6 108
Other reserves	47	47
Retained earnings	1 116	1 115
Non-controlling interest	(23)	(14)
Total equity	7 128	7 256
LIABILITIES		
Non-current liabilities	4 420	4 330
Other financial liabilities at amortised cost	3 276	3 211
Deferred tax liabilities	726	749
Lease liabilities	378	342
Development and acquisitions payables	10	–
Contract liabilities	30	28
Current liabilities	762	678
Other financial liabilities at amortised cost	41	36
Current tax payable	11	3
Lease liabilities	46	38
Trade and other payables	246	225
Provisions	40	36
Contract liabilities (mainly prepaid school fees)	359	327
Development and acquisitions payables	19	13
Total liabilities	5 182	5 008
Total equity and liabilities	12 310	12 264
Net asset value per share (cents)	1 229	1 224

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
Balance at the beginning of the year	7 256	7 100
Total comprehensive income	43	275
Dividends paid	(65)	(49)
Non-controlling interest movements	(9)	(4)
Repurchase of shares	(102)	–
Purchase of treasury shares	(24)	(97)
Vesting of share options	6	–
Other movements	23	31
Balance at the end of the year	7 128	7 256

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	%	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
	Change		
Cash flows from operating activities			
Cash generated from operations	22%	1 198	984
Tax paid	141%	(82)	(34)
Net finance cost paid	46%	(222)	(152)
(Increase) / decrease in net working capital	n/a	(19)	2
Net cash generated from operating activities	9%	875	800
Cash flows from investing activities			
Purchase of property, plant and equipment	(28%)	(649)	(901)
Business combinations (note 7)	(80%)	(26)	(127)
Development and acquisition proceeds / (investment)	n/a	5	(28)
Purchase of intangible assets	(13%)	(55)	(63)
Sale of property, plant and equipment	150%	10	4
Other investing activities	9%	37	34
Net cash utilised in investing activities	(37%)	(678)	(1 081)
Cash flows from financing activities			
Repurchase of shares	n/a	(102)	–
Purchase of treasury shares	(75%)	(24)	(97)
Proceeds from other financial liabilities	(66%)	1 090	3 220
Repayment of other financial liabilities	(62%)	(1 081)	(2 810)
Dividends paid to company shareholders	33%	(65)	(49)
Principal elements of lease payments	40%	(14)	(10)
Net cash (utilised in) / generated from financing activities	n/a	(196)	254
Cash and cash equivalents movement for the year	n/a	1	(27)
Cash and cash equivalents at the beginning of the year	(30%)	63	90
Cash and cash equivalents at the end of the year[^]	2%	64	63

[^]Curro has additional liquidity resources amounting to R17m (December 2022: R57m) available in the form of its money market investments.

	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
Average learners for the year	2%	72 031	70 724
- Curro	3%	62 619	60 943
- Meridian	(4%)	9 412	9 781
Revenue	15%	4 764	4 156
- Curro	16%	4 379	3 791
- Meridian	5%	385	365
Schools' EBITDA	21%	1 448	1 195
- Curro	21%	1 359	1 120
- Meridian	19%	89	75
Net head office expenditure	9%	(293)	(269)
- Curro	9%	(282)	(258)
- Meridian	0%	(11)	(11)
EBITDA margin		24.2%	22.3%
- Curro		24.6%	22.7%
- Meridian		20.3%	17.5%
Recurring headline earnings	29%	426	330
- Curro	29%	449	349
- Meridian	21%	(23)	(19)
Recurring headline earnings per share (cents)	32%	73.2	55.4
- Curro	32%	77.1	58.6
- Meridian*	22%	(3.9)	(3.2)
Earnings per share (cents)	(83%)	7.0	40.1
- Curro	(76%)	9.9	41.3
- Meridian	142%	(2.9)	(1.2)
Total assets	0.4%	12 310	12 264
- Curro	(0.1%)	11 495	11 504
- Meridian	7%	815	760
Total liabilities	3%	5 182	5 008
- Curro	2%	4 291	4 198
- Meridian	10%	891	810
Net asset value per share (cents)	0.4%	1 229	1 224

* Included in the Meridian results is an interest charge of R72m (December 2022: R63m) to shareholders in proportion to their shareholding.

1. STATEMENT OF COMPLIANCE

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements and the requirements of the Companies Act of South Africa. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards and Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of the IFRS Accounting Standards and are consistent with those applied in the previous consolidated annual financial statements. The summary consolidated results have been prepared internally under the supervision of the Chief Financial Officer, BC September, CA(SA).

2. AUDIT OPINION

These summary consolidated financial statements for the year ended 31 December 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office and on the company's website at www.curro.co.za.

The auditor's report does not necessarily report on all of the information contained in this announcement or financial results.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS Accounting Standards and are materially consistent with those of the annual financial statements for the year ended 31 December 2023. For a full list of standards and interpretations that have been applied, we refer you to our 31 December 2023 annual financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 Dec 2023 R million	31 Dec 2022 R million
Included in revenue from contracts with customers:		
Registration and tuition fees	4 604	4 113
Other income	147	106
Boarding school fees	76	70
Aftercare fees	77	63
Bus income	59	48
Recovery income	77	57
Rental income	–	12
Subsidy income	–	6
Discounts granted	(321)	(319)
Personnel	(101)	(96)
Bursaries	(83)	(85)
Other*	(137)	(138)
	4 719	4 156

* Other discounts mainly comprise of discretionary discounts, financial assistance and Ruta Sechaba bursaries

5. TRADE RECEIVABLES

	31 Dec 2023 R million	31 Dec 2022 R million
Gross trade receivables	438	491
Expected credit loss provision	(139)	(242)
Net trade receivables	299	249

The provision percentage decreased from the prior year mainly due to a portion of the long outstanding debtor's balances being sold during the year.

6. OTHER FINANCIAL ASSETS / (LIABILITIES) AT FAIR VALUE

	31 Dec 2023 R million	31 Dec 2022 R million
Fixed-for-variable interest rate swap assets / (liabilities)	4	4
Investment in SA SME Fund	5	5
	9	9

The interest rate swap agreements are measured using mark-to-market rates by the issuer of the instruments, representing a Level 2 fair value measurement for financial reporting purposes.

7. BUSINESS COMBINATIONS

Effective 1 January 2023, Curro acquired the entire business operations of Courtney House International School in Nieuw Muckleneuk, Pretoria for a total purchase consideration of R28 million combined.

	R million
The following assets and liabilities were recognised:	
Right-of-use asset	32
Intangible assets	3
Trade and other receivables	1
Cash and cash equivalents	2
Deferred tax liability	(1)
Contract liability	(5)
Lease liability	(32)
Total identifiable net assets	–
Goodwill	28
Cash consideration paid	28
Net cash outflow on acquisition	(28)
Cash consideration paid	(28)
Cash acquired	2
	(26)

8. RESTATEMENT OF PRIOR YEAR FIGURES

Provisions were previously incorrectly disclosed as part of trade and other payables, which have been reclassified to a separate line in the statement of financial position in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Such reclassification had no impact on previously reported assets, equity, or profitability; however, it had the following impact on the condensed consolidated statement of financial position:

	Dec 2022 R million	Change R million	Dec 2022 (Restated) R million
Impact on the consolidated statement of financial position as at 31 December 2022			
Current liabilities			
Trade and other payables	274	(36)	238
Provisions	–	36	36
Net current liabilities	274	–	274

J-CURVE (UNAUDITED)

The table below illustrates the J-Curve effect by the age of schools. All figures and amounts are as at 31 December.

	Campuses	Schools	Average learner numbers		Learner growth		Schools' EBITDA (R million)		EBITDA growth		Schools' EBITDA margin		Built capacity utilised		Eventual capacity utilised	
	2023	2023	2022	2023	21/22	22/23	2022	2023	21/22	22/23	2022	2023	2022	2023	2022	2023
Developed	51	119	45 826	46 913	7%	2%	739	932	19%	26%	29.1%	32.1%	68.8%	68.6%	60.3%	61.1%
Dev 2009 & before ¹	4	9	4 305	4 437	2%	3%	91	117	5%	29%	29.5%	32.7%	73.0%	75.2%	72.1%	74.3%
Dev 2010	2	6	2 183	2 190	(1%)	–	51	65	7%	28%	34.3%	39.1%	60.2%	60.4%	60.2%	60.4%
Dev 2011	5	15	4 329	4 337	2%	–	82	94	14%	14%	30.0%	31.4%	61.9%	61.8%	58.4%	58.6%
Dev 2012	2	6	2 146	2 159	3%	1%	34	45	11%	32%	25.4%	29.2%	79.8%	80.3%	74.3%	74.8%
Dev 2013	4	12	6 266	6 294	–	–	141	162	3%	15%	37.5%	38.5%	67.4%	67.7%	65.2%	65.5%
Dev 2014	4	9	2 773	2 792	9%	1%	23	34	43%	44%	16.0%	20.3%	72.7%	73.2%	71.2%	71.7%
Dev 2015	6	15	7 172	6 902	3%	(4%)	78	103	22%	32%	23.7%	28.5%	67.3%	64.7%	61.1%	58.8%
Dev 2016	4	8	2 009	1 997	10%	(1%)	51	59	84%	15%	33.9%	34.1%	51.2%	50.9%	46.4%	46.2%
Dev 2017	3	8	4 089	3 890	4%	(5%)	79	91	17%	14%	37.8%	40.2%	75.7%	72.0%	67.3%	64.0%
Dev 2018	4	8	1 651	1 910	(1%)	16%	13	31	–	–	16.6%	32.1%	47.6%	55.1%	43.7%	50.5%
Dev 2019	7	13	5 660	6 023	22%	6%	85	105	39%	23%	32.1%	33.5%	78.3%	77.9%	53.2%	56.6%
Dev 2020	5	9	3 243	3 951	40%	22%	11	30	33%	171%	8.9%	17.7%	97.2%	86.0%	43.2%	54.2%
Dev 2023	1	1		31				(4)				(235.4%)		31.0%		4.1%
Acquired²	27	63	24 898	25 118	6%	1%	466	534	17%	15%	29.0%	29.1%	79.6%	76.8%	76.4%	73.2%
Acq 2012 & before	7	17	8 165	8 071	2%	(1%)	186	195	9%	4%	35.8%	34.3%	83.2%	80.8%	78.4%	77.5%
Acq 2013	2	2	3 620	3 466	(1%)	(4%)	35	28	–	(18%)	23.3%	18.8%	77.8%	74.5%	77.8%	74.5%
Acq 2014	2	6	2 348	2 237	(2%)	(5%)	60	65	14%	7%	29.8%	29.5%	67.6%	64.4%	67.6%	64.4%
Acq 2015 & 2016	5	14	5 142	5 123	1%	–	87	112	14%	29%	25.0%	29.2%	78.1%	77.8%	72.0%	71.8%
Acq 2018	3	6	1 990	1 872	(2%)	(6%)	59	52	9%	(12%)	43.3%	35.6%	82.2%	77.3%	58.1%	54.6%
Acq 2019	4	8	1 601	1 609	18%	–	27	34	64%	26%	27.4%	29.2%	69.4%	68.1%	61.1%	60.6%
Acq 2020	1	3	880	1 026	43%	17%	6	12	–	–	14.5%	22.7%	97.9%	98.7%	75.0%	87.5%
Acq 2021	1	2	289	243	(3%)	16%	(5)	(6)	–	–	(28.4%)	(31.6%)	62.8%	52.8%	62.8%	52.8%
Acq 2022	1	3	863	1 214		41%	11	24		116%	12.0%	16.7%	82.0%	85.6%	82.0%	85.6%
Acq 2023	1	2		257				18				46.4%		87.1%		87.1%
Property rental, royalties and other							(10)	(18)								
Total Developed & Acquired	78	182	70 724	72 031	6%	2%	1 195	1 448	18%	21%	28.8%	30.4%	72.3%	71.8%	64.6%	64.3%

1. 2009 and before schools have a maximum of 20 learners per class, which has a direct impact on the EBITDA. Other schools have a maximum of 25 learners for Curro and Select or 35 for Meridian and Academy schools. Curro Durbanville's new High School increased capacity in 2022.

2. Acquired schools indicates the year the school was incorporated into Curro.

| STATUTORY AND ADMINISTRATION

Directors:

SL Botha** (Chairperson)
TP Baloyi**
M Lategan (Deputy CEO)
JP Loubser (CEO)
C Fernandez**
ZN Mankai**
L Molebatsi**
PJ Mouton*
SWF Muthwa**
DM Ramaphosa**
BC September (CFO)
CR van der Merwe*

* Non-executive

** Independent non-executive

Note: C Fernandez and L Molebatsi were appointed to the Board of Directors effective 1 February 2024.

Registered office: 38 Oxford Street, Durbanville, Cape Town, 7550

Transfer secretaries: Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Corporate adviser and JSE Equity and Debt sponsor: PSG Capital

Group Company Secretary: E Mpeke (1 April 2023)

Curro Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

JSE Equity Alpha Code: COH

JSE Debt Alpha Code: COHI

LEI: 378900E237CB40F0BF96

ISIN: ZAE000156253

('Curro' or 'the company' or 'the group')

Announcement date: 5 March 2024



Curro Edenvale



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engage@curro.co.za
curro.co.za

CURRO

CURRO HOLDINGS LIMITED AND ITS SUBSIDIARIES
(Registration number 1998/025801/06)
Consolidated and Separate Financial Statements
for the year ended 31 December 2023

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Independent school and education services
Directors	SL Botha JP Loubser M Lategan (Appointed 1 January 2023) BC September (Appointed 1 January 2023) TP Baloyi C Fernandez (Appointed 1 February 2024) ZN Mankai L Molebatsi (Appointed 1 February 2024) PJ Mouton SWF Muthwa DM Ramaphosa CR van der Merwe
Registered office and business address	38 Oxford Street Durbanville Cape Town South Africa 7550
Postal address	P O Box 2436 Durbanville Cape Town South Africa 7551
Bankers	Absa Bank Limited First National Bank Limited Standard Bank of South Africa Limited
Auditor	PricewaterhouseCoopers Inc. Registered Auditors
Secretary	E Mpeke (Appointed 1 April 2023)
Company registration number	1998/025801/06
Tax reference number	9159/070/02/9
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the South African Companies Act (No. 71 of 2008), as amended (Companies Act).
Preparer	The financial statements were internally compiled under the supervision of the director and Chief Financial Officer, BC September CA(SA).
Published	Tuesday, 05 March 2024

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Index

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

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Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Directors' responsibilities and approval

The directors are required in terms of the Companies Act of South Africa, as amended (the Companies Act), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of Curro Holdings Limited and its subsidiaries (group) as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS Accounting Standards) and the Companies Act. The external auditor is engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange (JSE) Listings Requirements and the Companies Act, no. 71 of 2008. The consolidated and separate financial statements have been prepared using policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 consolidated and separate cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the group and the company have or had 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 consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditor and their report is presented on pages 12 to 19.

The consolidated and separate financial statements set out on pages 12 to 93, which have been prepared on the going concern basis, were approved by the board of directors on Monday, 04 March 2024 and were signed on their behalf by:



SL Botha
Chairperson



JP Loubser
Chief Executive Officer

Durbanville
Monday, 04 March 2024

Curro Holdings Limited and its subsidiaries

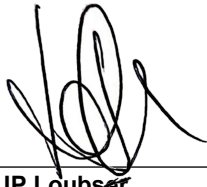
Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Responsibility statement of the CEO and CFO

Each of the directors, whose names are stated below, hereby confirm that:

- a) the annual financial statements set out on pages 12 to 93, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- 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 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.



JP Loubser
Chief Executive Officer



BC September
Chief Financial Officer

Durbanville
Monday, 04 March 2024

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Company secretary's certification

In terms of section 88(2)(e) of the Companies Act of South Africa (No. 71 of 2008), as amended, I certify to the best of my knowledge that the company has lodged with the Commissioner all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.



E Mpeke
Company Secretary

Durbanville
Monday, 04 March 2024

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Audit and risk committee report

This report is provided by the audit and risk committee (the committee) appointed in respect of the 2023 financial year of Curro Holdings Limited and its subsidiaries (Curro or the group).

1. Members of the audit and risk committee

The members of the committee consist of independent non-executive directors.

The current members are C Fernandez (chairperson), TP Baloyi and DM Ramaphosa. The company secretary is the secretary of the committee.

N Mankai (previous chairperson) has resigned from the committee effective 5 February 2024.

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act 71 of South Africa, as amended, and Regulation 42 of the Companies Regulations, 2011.

2. Purpose

The purpose of the committee is to:

- Review the effectiveness and appropriateness of Curro's financial reporting process.
- Review the effectiveness of Curro's assurance processes.
- Review the effectiveness of Curro's process for monitoring compliance with laws and regulations.
- Ensure the integrity of the integrated reporting for Curro.
- Assist the board in carrying out its risk responsibilities, including the review of the effectiveness of the management thereof. Management remains responsible for the design, implementation and monitoring of the risk management plan.
- Assist the board with its information technology (IT) governance responsibilities. Management remains responsible for the implementation of an IT governance framework.
- Report to the board of directors, even though the committee is appointed by shareholders. If differences of opinion arise between the committee and the board of directors where the committee's statutory functions are concerned, the committee's decision will prevail.
- Appoint the external auditor, review their independence and approve audit fees.

3. Meetings held by the audit and risk committee

The committee performs the duties imposed upon it by Section 94(7) of the Companies Act of South Africa, as amended, by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The committee held two scheduled meetings during 2023, which were attended by all members of the committee.

4. External audit

The committee has nominated PricewaterhouseCoopers Inc. for re-election at the annual general meeting.

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought from the audit partner that internal governance processes within the firm support and demonstrate the claim to independence. The external auditor is thus suitable for reappointment by considering, inter alia, paragraphs 3.84(g)(iii) and 22.15(h) of the Listings Requirements of the JSE Limited.

The committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the scope and extent of the work required and the timing of the audit.

The committee has considered and pre-approved all non-audit services provided by the external auditors and the fees thereof to ensure that the independence of the external auditors is maintained.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Audit and risk committee report

5. Internal audit

The committee has assessed and is satisfied with the expertise and experience of the internal audit function.

6. Consolidated and separate annual financial statements

The committee recommends board approval pursuant to the review of the consolidated and separate annual financial statements.

7. Accounting practices and internal control

Internal controls and systems have been designed to provide reasonable assurance of the integrity and reliability of the financial information presented in the annual financial statements and to safeguard, verify and maintain the assets of the group and the company.

Nothing has come to the attention of the committee to indicate that any material breakdown in the functioning of the group's key internal control systems has occurred during the year under review.

The committee reviewed the accounting policies and procedures adopted by the company and the group and ensured that the financial statements were prepared on the basis of appropriate accounting policies and IFRS Accounting Standards, and that the group has appropriate financial reporting procedures (for the company and all group entities) and that those procedures operated effectively for the financial year (and that all relevant financial information has been taken into account in preparing and reporting effectively on the financial statements) in terms of the JSE Listings Requirements paragraph 3.84(g)(ii).

8. Evaluation of the chief financial officer and the group's finance function

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements and paragraph 7.3(e)(i) of the JSE Debt Listings Requirements, the committee has assessed and is satisfied with the expertise and experience of the group's chief financial officer. The committee is also satisfied that the group established appropriate financial reporting procedures and that those procedures are operating effectively.

9. Complaints and/or concerns

No complaints or concerns were received by the committee on any matters relating to the accounting practices and internal audit of the group, the content or auditing of the consolidated and separate annual financial statements, the internal financial controls of the group or on any other related matter during the year under review.

On behalf of the committee



C. Fernandez
Chairperson of the audit and risk committee

Durbanville
Monday, 04 March 2024

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Directors' report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Curro and its subsidiaries (Curro or the group) for the year ended 31 December 2023.

1. Nature of business

Overview

Curro continues with its vision to make quality independent school education accessible to more learners in South Africa and beyond.

The company was established in 1998, and is the leading for-profit independent school provider in Southern Africa. It develops, acquires and manages independent schools for learners from the age of three months to Grade 12. The different school models are Curro Preschools, Curro, Curro Academy, Meridian, Select, Curro Assisted Learning, Curro DigiEd, Curro Private College and Curro Online.

Business performance

Celebrating 25 years in 2023, Curro has become a leading institution known for its dedication to high-quality education, innovation, and holistic development. The milestone underscores Curro's commitment to excellence, with a comprehensive curriculum, cutting-edge facilities, and a student-centered approach, paving the way for continued growth and a legacy of shaping future leaders.

The directors are pleased to report strong growth in revenue and profitability for the year. Recurring headline earnings for the year increased by 29% to R426 million, from the previous year's R330 million. The group recorded a credible operating performance and generated strong cashflows during the 2023 financial year, and is in a healthy financial position.

These results are a testament to the group's successful strategies and dedication to delivering value to its stakeholders.

Tuition fees increased by 12% due to the growth in learners, coupled with the annual fee increase. Revenue growth was supported by an increase in ancillary revenue, which was R120 million and 33% higher than the previous year.

Curro is focused on increasing its operating margin and implementing stringent cost management measures. As a result, the discounts granted have decreased to 7% of tuition fees from 8% in the previous year.

Curro recognised impairments of R378 million (2022: R127 million), net of tax, relating to lower yielding school assets. This was based on the annual impairment assessment reviews of the business plans for each school.

Curro invested R715 million in the business during the year under review. This includes the acquisition of Courtney House Learning Centre (Pty) Ltd.

Curro is in a healthy financial position, and it is on track to increase shareholder returns as the business matures. We plan to invest up to R700 million in capital projects to maintain, replace and expand facilities in the 2024-year.

Our business remains resilient and we are committed to continue to provide excellent education for all our learners.

2. Share capital

No changes occurred to *authorised* share capital during 2023.

The company through its share incentive trust purchased Curro shares to satisfy potential vesting commitments as part of the incentive program and also purchased and cancelled shares as part of a share repurchase program. Refer to note 15 for more details.

No other changes occurred to *issued* share capital during 2023.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Directors' report

3. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next annual general meeting, a shareholders' resolution will be posed at the next annual general meeting to consider placing the unissued ordinary shares, up to a maximum of 5% of the company's issued share capital, under the control of the directors until the next annual general meeting.

4. Dividends

The board has resolved to pay a final dividend of 14.64 cents per share from income resources for the year ended 31 December 2023.

On 2 March 2023, the company declared a dividend of 11.08 cents per share from income resources for the year ended 31 December 2022, which was paid on 17 April 2023.

5. Directorate

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

Directors	Gender	Office	Designation
SL Botha	Female	Chairperson of the board	Non-executive independent
JP Loubser	Male	Chief executive officer	Executive
M Lategan	Female	Deputy chief executive officer	Executive
BC September	Male	Chief financial officer	Executive
TP Baloyi	Male		Non-executive independent
C Fernandez	Female		Non-executive independent
ZN Mankai	Female		Non-executive independent
L Molebatsi	Female		Non-executive independent
PJ Mouton	Male		Non-executive
SWF Muthwa	Female		Non-executive independent
DM Ramaphosa	Male		Non-executive independent
CR van der Merwe	Male		Non-executive

6. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the separate annual financial statements in note 8.

7. Holding company and ultimate holding company

PSG Group Limited distributed in specie their shareholding in Curro and various other investees to PSG Group Limited shareholders as part of its unbundling process in the prior year. Curro therefore has no holding company and ultimate holding company.

8. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the group, were made by the company or any of its subsidiaries during the period covered by this report.

9. Events after the reporting period

The directors are not aware of any matter that is material to the group or the company that has occurred between the reporting date and the date of the approval of the annual financial statements.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Directors' report

10. Going concern

The group has performed a going concern review and assessed its liquidity and solvency position.

The group manages liquidity risk through an ongoing review of future commitments and credit facilities. At year end, the group's current liabilities exceed the current assets with R133 million as evident from the statement of financial position. A material component of the current liabilities is the contract liabilities which mainly comprise of annual school fees received in advance that will only be billed during the following year. If the contract liabilities of R359 million are excluded, the current assets will exceed the current liabilities. At 31 December 2023, R361 million of the R800 million revolving credit facility in company, only repayable in 2025, was unutilised and available as set out in note 14.3.

The directors believe that the group and the company have adequate financial resources to continue in operation for the foreseeable future, and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and the company are in a sound financial position and that they have access to sufficient borrowing facilities to meet their foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group and the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation that may affect the group or the company.

11. Auditor

PricewaterhouseCoopers Inc., remains in office in accordance with section 90 of the Companies Act of South Africa, as amended.

12. Secretary

The company secretary is Mrs E Mpeke.

Postal address

P O Box 2436
Durbanville
Cape Town
South Africa
7551

Business address

38 Oxford Street
Durbanville
Cape Town
South Africa
7550

13. Sponsor

PSG Capital acts as sponsor for the group and the company, providing advice on the interpretation of and compliance with the Equity and Debt Listings Requirements of the JSE and reviewing notices required in terms of the company's memorandum of incorporation and the JSE's Listings Requirements.

14. Corporate governance

The directors subscribe to the principles incorporated in the King Code of Corporate Practices and Conduct as set out in King IV and have applied the principles contained therein throughout the reporting period. The directors recognise the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. The board of directors has performed a detailed exercise to assess the company's compliance with King IV and the members are satisfied that sufficient compliance occurs, while they have instituted steps to ensure a constant monitoring of improvement where practically possible.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Directors' report

15. Corporate governance disclosures in accordance with the JSE Debt Listings Requirements

A brief CV of each director is included in the Curro Annual Integrated Report which is incorporated herein by reference as well as on the company website www.curro.co.za. The Curro Annual Integrated Report is also accessible at www.curro.co.za, and may be requested and obtained in person from the registered office of the Company during office hours.

As contemplated in paragraph 7.3(c)(iii) of the JSE Debt Listings Requirements, independent directors are determined holistically, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and the King Code.

The company confirms that the audit committee has executed the responsibilities set out in paragraph 7.3(e) of the JSE Debt Listings Requirements.

In accordance with paragraph 7.3(f) of the JSE Debt Listings Requirements, the company has a current policy on the evaluation of the performance of its board of directors and that of its committees, its chair and its individual directors pursuant to the provisions of the King Code. The company will consider and apply the aforementioned policy when appointments to its board and committees are made.

The company's debt officer, as contemplated in paragraphs 6.39(a) and 7.3(g) of the JSE Debt Listings Requirements, is JP Loubser (Chief Executive Officer). The board of Curro duly considered and satisfied itself with the competence, qualifications and experience of JP Loubser before he was appointed as debt officer of the company.

The Company's Nomination and Appointment of Directors and Conflict of Interest Policy ("the Policy") is accessible at www.curro.co.za. The Policy deals, inter alia, with i) the conflicts of interest of the directors and the executive management of Curro and how such conflicting interests can be identified and managed or avoided; and ii) the process for the nomination and appointment of directors of the company.

Since publication of the Policy, there have been no amendments to the Policy.

Curro confirms that, as at Monday, 04 March 2024, there are no recorded conflicts of interest and/or personal financial interests of the directors and/or the executive management of Curro, as contemplated in the Policy and paragraphs 7.5 and 7.6 of the JSE Debt Listing Requirements (as read with section 75 of the Companies Act). Accordingly, as at Monday, 04 March 2024, there is no "register of any conflicts of interest and/or personal financial interests", as contemplated in paragraph 7.6 of the JSE Debt Listing Requirements.

16. Report of the audit and risk committee

The report of the audit and risk committee, as required in terms of section 94(7)(f) of the Companies Act of South Africa of 2008, is set out on pages 6 to 7 of the consolidated and separate annual financial statements.



Independent auditor's report

To the Shareholders of Curro Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Curro Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2023, and its consolidated and separate financial performance and its 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.

What we have audited

Curro Holdings Limited's consolidated and separate financial statements set out on pages 20 to 92 comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers Inc., 1st Floor, Trumali Forum Building, Trumali Park, C/O Trumali Street and the R44, Stellenbosch, 7600
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Our audit approach

Overview

	<p>Overall group materiality</p> <ul style="list-style-type: none"> Overall group materiality: R37.7 million, which represents 0.8% of consolidated revenue.
	<p>Group audit scope</p> <ul style="list-style-type: none"> We conducted a full scope audit for Curro Holdings Limited, the only significant component. All other components are considered financially insignificant. In order to ensure that sufficient work was performed over material line items in the consolidated financial statements, we scoped in two entities, for which statutory audits were performed.
	<p>Key audit matters</p> <ul style="list-style-type: none"> Impairment assessment of goodwill and indefinite-lived intangible assets; Impairment assessment of property, plant and equipment; and Expected credit losses on trade receivables.

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

Materiality

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

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



<i>Overall group materiality</i>	R37.7 million
<i>How we determined it</i>	0.8% of consolidated revenue
<i>Rationale for the materiality benchmark applied</i>	We selected consolidated revenue as the benchmark because, in our view, it most appropriately reflects the size of the Group. It is a benchmark against which the performance of the Group can be consistently measured and thus would be most relevant to users of the consolidated financial statement, given the relatively low profit margins over the last 5 years, while the other key elements of the consolidated financial statements have remained constant. We chose 0.8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that would typically apply when using consolidated revenue to compute materiality.

How we tailored our group audit scope

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

The Group comprises twelve reporting components. A full scope audit has been performed for Curro Holdings Limited, which is the only financially significant component within the group. All other components are considered financially insignificant. In order to ensure that sufficient work was performed over material line items in the consolidated financial statements, we scoped in two entities, Meridian Operations Company (RF) NPC and Campus and Property Management Proprietary Limited, for which full scope audits were performed. For the remaining components, we perform analytical review procedures and audited the consolidation process in order to gain sufficient evidence over the consolidated financial statements.

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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment assessment of goodwill and indefinite-lived intangible assets.</i></p> <p><i>This key audit matter relates to the consolidated and separate financial statements.</i></p> <p><i>Intangible assets consist of goodwill and indefinite-lived trademarks, which amounted to R536 million and R92 million respectively in the Group financial statements and R147 million and R40 million, respectively, in the Company financial statements. Refer to notes 6 & 7 to the consolidated and separate financial statements.</i></p>	<p><i>In testing management's impairment calculations:</i></p> <ul style="list-style-type: none"> ● <i>We tested the mathematical accuracy of the value-in-use calculations for each CGU and noted no exceptions;</i> ● <i>We challenged key assumptions used in the calculations, such as growth in EBITDA, terminal growth rates and discount rates</i> <ul style="list-style-type: none"> ○ <i>We challenged EBITDA growth assumptions by assessing the growth in learner number, the tuition fee increases and growth in operating expenses. Growth in learner numbers, the average price increases for tuition fees and operating expense growth are all</i>

Goodwill acquired in business combinations and intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether any indications of impairment exist (refer to note 1.12 of the Accounting Policies to the consolidated and separate financial statements).

As disclosed in notes 6 & 7 to the consolidated and separate financial statements, the recoverable amounts of the cash generating units (CGUs) to which goodwill acquired in business combinations and indefinite lived trademarks are allocated, has been determined based on value-in-use calculations.

The key assumptions used by management in determining value-in-use include discount rates, EBITDA growth and terminal growth rates which require management to apply a degree of judgement and estimation.

The impairment assessment of goodwill and indefinite-lived intangible assets was considered to be a matter of most significance to our current year audit due to the degree of judgement and estimation applied by management in their value-in-use calculation.

The Group and Company recognised impairment of goodwill and indefinite-lived intangible assets of R113 million and R87 million respectively (refer to notes 6 & 7 to the consolidated and separate financial statements).

Impairment assessment of property, plant and equipment

This key audit matter relates to the consolidated and separate financial statements

In terms of IAS 36, an impairment assessment should be performed if any indicators of impairment are identified relating to an asset (refer to note 4 to the consolidated and separate financial statements).

During the current year, management identified impairment indicators in relation to assets of cash generating units in which actual

interrelated when determining EBITDA growth;

- The terminal growth rate was compared to inflation of the educational sector, historic increases in tuition fees and nominal learner number growth. The key assumption were found to be consistent with the available independent source data and historical trends;
- With the assistance of our internal valuation experts, we compared the discount rates used by management to our independently developed benchmarks, which are based on various economic indicators. The discount rates used by management were accepted as falling within a reasonable range.
- To test the robustness and reasonability of management's cash flow forecasts, we compared the actual cash flows for 2023 to the forecasted cash flows used in the prior year's forecast for 2023. The actual results were consistent with forecasted results;
- We performed independent sensitivity calculations on the impairment assessments to assess the degree by which the key assumptions needed to change in order to trigger an impairment. The results of our sensitivity analyses were consistent with management's conclusions; and
- We assessed the presentation and disclosure included in the consolidated and separate financial statements against the requirements of International Accounting Standard (IAS) 36: Impairment of Assets and no material disclosure deficiencies were noted.

In testing management's impairment calculations:

- We tested the mathematical accuracy of the value-in-use calculations for each CGU and noted no exceptions;
- We inspected the impairment calculations to assess whether there are any goodwill or indefinite-lived intangible assets, relating to any of these CGUs and noted no material exceptions;
- We challenged key assumptions used in the calculations, such as growth in EBITDA, terminal growth rates and discount rates

results were below expectations. Based on management's assessment, an impairment loss of R397 million on a Group level and R396 million on a Company level was recognised on property, plant and equipment.

The impairment loss represents a write-down of the CGU's carrying values to their recoverable amounts. Management calculated the recoverable amounts based on the value-in-use.

The key assumptions used by management in determining value-in-use include discount rates, EBITDA growth and terminal growth rates which require management to apply a degree of judgement and estimation.

The impairment assessment of property, plant and equipment performed by management was considered to be a matter of most significance to our current year audit due to the magnitude of the impairment loss recognised and the degree of judgement and estimation applied by management in the determination of the recoverable amount of these assets.

- We challenged EBITDA growth assumptions by assessing the growth in learner number, the tuition fee increases and growth in operating expenses. Growth in learner numbers, the average price increases for tuition fees and operating expense growth are all interrelated when determining EBITDA growth;
- The terminal growth rate was compared to inflation of the educational sector, historic increases in tuition fees and nominal learner number growth. The key assumption were found to be consistent with the available independent source data and historical trends;
- With the assistance of our internal valuation experts, we compared the discount rates used by management to our independently developed benchmarks, which are based on various economic indicators. The discount rates used by management were accepted as falling within a reasonable range.
- To test the robustness and reasonability of management's cash flow forecasts, we compared the actual cash flows for 2023 to the forecasted cash flows used in the prior year's forecast for 2023. The actual results were consistent with forecasted results;
- We performed independent sensitivity calculations on the impairment assessments to assess the degree by which the key assumptions needed to change in order to trigger an impairment. The results of our sensitivity analyses were consistent with management's conclusions;
- Where impairment was required, we assessed whether it was allocated across the CGU in accordance with IAS 36, no material exceptions were noted; and
- We assessed the presentation and disclosure included in the consolidated and separate financial statements against the requirements of IAS 36: Impairment of Assets and no material disclosure deficiencies were noted.



Expected credit losses on trade receivables

This key audit matter relates to the consolidated and separate financial statements

Trade and other receivables consist of gross receivables and a loss provision which amounted to R438 million and R139 million, respectively, in the consolidated financial statements and R362 million and R108 million, respectively, in the separate financial statements. (Refer to section 1.1 of the accounting policies and note 13 to the consolidated and separate financial statements).

Impairment of trade receivables was considered to be a matter of most significance to our current year audit due to the magnitude of the ECL provided for as at 31 December 2023 and the degree of judgement and estimation applied by management in determining the ECL.

In assessing management's expected credit losses:

- We tested the mathematical accuracy of the ECL calculation and noted no exceptions;*
- We assessed the appropriateness of the ageing categorisation by testing a sample of customers to assess whether their outstanding debt was categorised correctly, and no material exceptions were noted;*
- We analysed the collection of receivables in the respective ageing categorisations and independently calculated the historical loss rates, which were compared to management's loss rates, with assistance from our actuarial experts. Based on our work performed, we accepted management's loss rates and the application of the loss rates in the various ageing categorisations;*
- We evaluated forward looking information by assessing the movement in inflation and gross domestic product for the current year and the expected movement for the forthcoming year. This was considered reasonable given the industry and economic climate; and*
- We assessed the presentation and disclosure included in the consolidated and separate financial statements against the requirements of IFRS 9: Financial Instruments and did not note material disclosure deficiencies.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Curro Holdings Limited and its Subsidiaries Consolidated and Separate Financial Statements for the year ended 31 December 2023", which includes the Directors' report, the Audit and risk committee report and the Company secretary's certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Curro Holdings Limited Annual Integrated Report 2023", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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



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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Curro Holdings Limited for 7 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Onalenna Halenyane
Registered Auditor
Stellenbosch, South Africa
04 March 2024

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Consolidated and separate statements of financial position as at 31 December

		Group		Company	
		2023	2022	2023	2022
			Restated ¹		Restated ¹
	Note(s)	R million	R million	R million	R million
Assets					
Non-current assets					
Property, plant and equipment	4	10 543	10 487	9 275	9 278
Right-of-use assets	5	311	289	310	288
Goodwill	6	536	602	147	215
Intangible assets	7	261	300	204	240
Investments in subsidiaries	8	-	-	351	351
Loans to group companies	9	-	-	571	332
Other financial assets at amortised cost	10	25	3	11	3
Other financial assets at fair value	10	5	8	5	8
		11 681	11 689	10 874	10 715
Current assets					
Inventories	12	17	14	13	11
Loans to group companies	9	-	-	43	224
Trade and other receivables	13	440	367	382	326
Other financial assets at amortised cost	10	8	30	7	11
Other financial assets at fair value	10	4	1	4	1
Current tax receivable		3	3	1	-
Investment in money market funds	14	17	57	17	54
Cash and cash equivalents	14	64	63	43	50
		553	535	510	677
Non-current assets held for sale	42	76	40	41	19
		629	575	551	696
		12 310	12 264	11 425	11 411
Equity and liabilities					
Equity					
Share capital	15	5 988	6 108	6 254	6 356
Reserves	17	47	47	46	48
Retained earnings		1 116	1 115	480	509
		7 151	7 270	6 780	6 913
Non-controlling interest		(23)	(14)	-	-
		7 128	7 256	6 780	6 913
Liabilities					
Non-current liabilities					
Other financial liabilities at amortised cost	18	3 276	3 211	2 957	2 888
Lease liabilities	5	378	342	377	341
Deferred tax liabilities	11	726	749	605	651
Development and acquisitions payables	22	10	-	10	-
Contract liabilities	20	30	28	30	28
		4 420	4 330	3 979	3 908
Current liabilities					
Trade and other payables	22	246	238	222	214
Development and acquisitions payables	22	19	-	19	-
Provisions	21	40	36	40	35
Contract liabilities	20	359	327	317	291
Lease liabilities	5	46	38	46	38
Other financial liabilities at amortised cost	18	41	36	11	10
Current tax payable		11	3	11	2
		762	678	666	590
		5 182	5 008	4 645	4 498
		12 310	12 264	11 425	11 411

1. The prior year financial statements for the group and the company have been restated as set out in note 21, 22 and 43.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Consolidated and separate statements of comprehensive income

	Note(s)	Group		Company	
		2023	2022	2023	2022
		R million	R million	R million	R million
Revenue from contracts with customers	23	4 719	4 156	4 140	3 618
Other income	24	45	-	39	-
Employee costs		(2 238)	(2 054)	(1 960)	(1 791)
Expected credit losses on financial assets		(128)	(147)	(107)	(126)
Other expenses	25	(1 243)	(1 029)	(1 096)	(902)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) ¹		1 155	926	1 016	798
Amortisation	7	(70)	(66)	(68)	(64)
Depreciation	4 & 5	(238)	(215)	(221)	(199)
Earnings before interest and taxation (Adjusted EBIT) ¹	25	847	645	727	535
Finance income ²	26	54	50	99	91
(Loss) / Profit on sale of property, plant and equipment		(10)	1	(10)	1
Impairment of property, plant and equipment	4 & 5	(397)	(163)	(396)	(163)
Reversal of impairment of property, plant and equipment	4	45	-	31	-
Impairment of goodwill	6	(87)	(3)	(61)	(3)
Impairment of intangible assets	7	(26)	(8)	(26)	(8)
Impairment of investments	8	-	-	(28)	-
Other once-off income		-	25	-	-
Finance costs	27	(328)	(258)	(284)	(219)
Profit before taxation		98	289	52	234
Taxation	28	(66)	(54)	(39)	(36)
Profit for the year		32	235	13	198
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operation	29	2	(1)	-	-
Effects of cash flow hedges	29	-	52	-	52
Taxation	29	-	(15)	-	(15)
Total items that may be reclassified to profit or loss		2	36	-	37
Total comprehensive income for the year		34	271	13	235
Profit attributable to:					
Owners of the parent		41	239	13	198
Non-controlling interests		(9)	(4)	-	-
		32	235	13	198
Total comprehensive income attributable to:					
Owners of the parent		43	275	13	235
Non-controlling interests		(9)	(4)	-	-
		34	271	13	235
Earnings per share (cents)					
Basic	30	7.0	40.1		
Diluted	30	7.0	39.9		

1. The term "Adjusted EBITDA" and "Adjusted EBIT" are defined in note 2.

2. The name was changed from investment income to finance income to better reflect the nature of the income.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Consolidated and separate statements of changes in equity

	Share capital	Translation reserve	Hedging reserve	Share based payments reserve	Total reserves	Retained earnings	Total attributable to owners of the group	Non-controlling interest	Total equity
	R million	R million	R million	R million	R million	R million	R million	R million	R million
Group									
Balance at 1 January 2022	6 205	1	(35)	30	(4)	909	7 110	(10)	7 100
Profit for the year	-	-	-	-	-	239	239	(4)	235
Other comprehensive loss	-	(1)	37	-	36	-	36	-	36
Total comprehensive income for the year	-	(1)	37	-	36	239	275	(4)	271
Purchase of treasury shares	(97)	-	-	-	-	-	(97)	-	(97)
Recognition of share-based payments	-	-	-	32	32	-	32	-	32
Vesting of share options	-	-	-	(16)	(16)	16	-	-	-
Dividends paid	-	-	-	-	-	(49)	(49)	-	(49)
Effect of exchange difference	-	(1)	-	-	(1)	-	(1)	-	(1)
Total contributions by and distributions to owners of the company recognised directly in equity	(97)	(1)	-	16	15	(33)	(115)	-	(115)
Balance at 31 December 2022	6 108	(1)	2	46	47	1 115	7 270	(14)	7 256
Profit for the year	-	-	-	-	-	41	41	(9)	32
Other comprehensive income	-	2	-	-	2	-	2	-	2
Total comprehensive income for the year	-	2	-	-	2	41	43	(9)	34
Repurchase of shares	(102)	-	-	-	-	-	(102)	-	(102)
Purchase of treasury shares	(24)	-	-	-	-	-	(24)	-	(24)
Recognition of share-based payments	-	-	-	22	22	-	22	-	22
Vesting of share options	6	-	-	(24)	(24)	24	6	-	6
Dividends paid	-	-	-	-	-	(65)	(65)	-	(65)
Effect of exchange difference	-	-	-	-	-	1	1	-	1
Total contributions by and distributions to owners of the company recognised directly in equity	(120)	-	-	(2)	(2)	(40)	(162)	-	(162)
Balance at 31 December 2023	5 988	1	2	44	47	1 116	7 151	(23)	7 128

Refer to notes

15 17 & 29 17 & 29 16 & 17

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Consolidated and separate statements of changes in equity

	Share capital	Hedging reserve	Share based payments reserve	Total reserves	Retained earnings	Total attributable to owners of the company	Total equity
	R million	R million	R million	R million	R million	R million	R million
Company							
Balance at 1 January 2022	6 356	(35)	30	(5)	344	6 695	6 695
Profit for the year	-	-	-	-	198	198	198
Other comprehensive income	-	37	-	37	-	37	37
Total comprehensive income for the year	-	37	-	37	198	235	235
Recognition of share-based payments	-	-	32	32	-	32	32
Vesting of share options	-	-	(16)	(16)	16	-	-
Dividends paid	-	-	-	-	(49)	(49)	(49)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	16	16	(33)	(17)	(17)
Balance at 31 December 2022	6 356	2	46	48	509	6 913	6 913
Profit for the year	-	-	-	-	13	13	13
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	13	13	13
Repurchase of shares	(102)	-	-	-	-	(102)	(102)
Recognition of share-based payments	-	-	22	22	-	22	22
Vesting of share options	-	-	(24)	(24)	24	-	-
Dividends paid	-	-	-	-	(66)	(66)	(66)
Total contributions by and distributions to owners of the company recognised directly in equity	(102)	-	(2)	(2)	(42)	(146)	(146)
Balance at 31 December 2023	6 254	2	44	46	480	6 780	6 780
<i>Refer to notes</i>	15	17 & 29	16 & 17				

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Consolidated and separate statements of cash flows

	Note(s)	Group		Company	
		2023 R million	2022 R million	2023 R million	2022 R million
Cash flows from operating activities					
Cash generated from operations	31	1 179	986	1 046	840
Interest received	26	52	49	49	46
Interest paid	27	(274)	(201)	(261)	(188)
Tax paid	32	(82)	(34)	(78)	(29)
Net cash generated from operating activities		875	800	756	669
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(649)	(901)	(575)	(854)
Proceeds on sale of property, plant and equipment	4 & 42	10	4	10	4
Purchase of intangible assets	7	(55)	(63)	(55)	(63)
Business combinations	33	(26)	(127)	(26)	(127)
Development and acquisition investment		5	(28)	5	(28)
Loans to group companies repaid		-	-	46	83
Loans advanced to group companies		-	-	(58)	(98)
Investment in other financial assets		(4)	(3)	(4)	(3)
Proceeds from other financial assets		2	4	-	4
Investment in money market funds	14	(4 367)	(4 261)	(4 355)	(4 210)
Withdrawn from investments in money market funds	14	4 406	4 294	4 392	4 238
Net cash utilised in investing activities		(678)	(1 081)	(620)	(1 054)
Cash flows from financing activities					
Repurchase of shares		(102)	-	(102)	-
Purchase of treasury shares		(24)	(97)	-	-
Proceeds from other financial liabilities	34	1 090	3 220	1 090	3 220
Repayment of other financial liabilities	34	(1 081)	(2 810)	(1 051)	(2 759)
Principal elements of lease payments	34	(14)	(10)	(14)	(10)
Dividends paid to company shareholders		(65)	(49)	(66)	(49)
Net cash generated from / (utilised in) financing		(196)	254	(143)	402
Cash and cash equivalents movement for the year					
Cash and cash equivalents at the beginning of the year		63	90	50	33
Total cash and cash equivalents at the end of the year	14	64	63	43	50

Non-cash activities:

Refer to note 31 for more details regarding non-cash financing and investing activities.

Curro Holdings Limited and its subsidiaries

Registration number 1998/025801/06

Consolidated and Separate Financial Statements for the year ended 31 December 2023

Accounting policies

1. Presentation of consolidated and separate financial statements

Curro Holdings Limited (Curro) is a public company incorporated in the Republic of South Africa. The principal activities are the provision of independent education services within Southern Africa.

Basis of accounting

The annual consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee, and comply with the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The consolidated and separate financial statements have been prepared on the historical cost basis as modified by the revaluation of certain financial instruments, and incorporate the principal accounting policies set out below. They are presented in South African Rands (R) and rounded to the nearest million. These accounting policies are consistent with the previous year, except for standards included in note 3.

Going concern

The group has performed a going concern review and assessed its liquidity and solvency position.

The group manages liquidity risk through an ongoing review of future commitments and credit facilities. At year end, the group's current liabilities exceed the current assets with R133 million as evident from the statement of financial position. A material component of the current liabilities is the contract liabilities which mainly comprise of annual school fees received in advance that will only be billed during the following year. If the contract liabilities of R359 million are excluded, the current assets will exceed the current liabilities. At 31 December 2023, R361 million of the revolving credit facility in the company, only repayable in 2025, was unutilised and available as set out in note 14.3.

Under these conditions, the group is comfortable that it will be able to continue as a going concern for the foreseeable future.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate annual financial statements, management are required to make estimates and assumptions that affect the amounts represented in the consolidated and separate annual 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 consolidated and separate annual financial statements.

The difficult economic conditions in South Africa due to low growth, negative consumer sentiment, policy uncertainty, as well as ongoing cost and margin pressures has necessitated management to re-evaluate its selection criteria for purposes of impairment testing.

Significant judgements include:

Indefinite intangible assets estimate useful lives

Trademarks are regarded as having an indefinite useful life as, based on all relevant factors, there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows.

In determining that the school brand (included as part of trademarks) has an indefinite useful life, management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in technologies, the stability of the school industry and changes in the market demand, the current and expected actions by competitors, and management's strategy to maintain the trademark. As of 31 December 2023, based on the analysis of these factors, there is no foreseeable limit to the period over which the brand is expected to generate cash inflows.

Useful lives and residual values

The estimated useful lives for property, plant and equipment and intangible assets are set out in notes 1.5 and 1.6. Estimated useful lives and residual values are reviewed annually, taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the education industry where property, plant and equipment and intangible assets are used. It is management's view that its physical infrastructure and face-to-face education will remain relevant to younger learners, who require closer supervision and support, and to the holistic development of all learners across academic, cultural, social and sports elements. The Covid-19 pandemic's effect has accelerated our digital strategies to complement our physical offering. Given strong demand for education in South Africa, we do not expect a radical shift away from physical education. This also applies to the estimated useful lives of internally generated intangible assets.

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1.1 Significant judgements and sources of estimation uncertainty (continued)

Significant judgements include (continued):

Capitalisation of curriculum material

Management capitalises curriculum development costs directly attributable to the development of new curriculum material, subjects and curriculum delivery methods as intangible assets as disclosed in Note 7. These costs incurred meet the definition to be capitalised as intangible assets because they can be clearly distinguished as a new subject or curriculum that is capable of being sold separately from the Curro group. Costs incurred to research a new subject or curriculum are expensed. Cost capitalisation commences from the development stage when approval for the curriculum development is received and when the requirements to capitalise development expenses in IAS 38: Intangible assets are met.

During the development phase, certain staff dedicate part of their time in developing the new curriculum material, subjects and curriculum delivery methods and the group also appoints external consultants who have experience in this regard. Only staff costs spent specifically on the development of the curriculum material, subjects and curriculum delivery methods and external consultant costs are capitalised.

The group's vision is to make independent education more accessible to more learners. In pursuit of this vision, the group has consistently developed new education models over the last few years. Examples of the models that the associated cost have been capitalised to per the above policy includes:

- the initial Curro model;
- the Academy model in 2015;
- DigiEd in 2019; and
- Curro Online in 2020.

The group also improve and evolve the delivery of curriculum material to learners annually. The research to develop and improve the delivery of curriculum is expensed. Only costs incurred that provide additional future economic benefits to existing course material are capitalised, all other maintenance-type costs are expensed. Capitalisation ceases when the curriculum material is ready to be used which is also when amortisation commences. The capitalisation of the curriculum material are reviewed annually, taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the education industry where intangibles are used.

Leases

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

For leases of school buildings, the following factors are normally the most relevant:

- The demand for our product in the area.
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

For three significant leases the payments are structured as variable lease payments, but there is no genuine variability in those payments. The lease agreements stipulate annual rent escalations beginning on 1 January 2019, throughout the lease period. This escalation occurs on each anniversary of the starting date ("Escalation Date") at a predetermined rate ("Escalation Rate"). The Escalation Rate is determined by the following formula:

- At fixed 6%; or
- CPI, if such rate on any Escalation Date is 3% or lower or 8% or higher.

However, due to the historical unlikelihood of the CPI dropping below 3%, the contract effectively establishes a minimum increase of 6%, reflecting the most probable rent increase over the lease term. Consequently, we used 6% in calculating future minimum lease payments. The discount rate was based on comparable lending rates and adjusted for lease specific factors. Refer to note 1.10 for further details.

All right-of-use assets have been assessed for impairment.

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1.1 Significant judgements and sources of estimation uncertainty (continued)

Significant estimates include:

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. However management also assesses property, plant and equipment on an annual basis. Impairment tests are performed at cash-generating unit (CGU) level and each school is seen as a CGU. These impairment calculations include the use of estimates of future cash flows as well as the determination of discount rates at which the cash flows are discounted. The maturity of a school is factored in when performing impairment assessments. Additional details regarding impairment test assumptions are included in note 4, 6 and 7.

In the current reporting period the key assumptions used in the cash flow calculations have been adjusted to reflect management's best estimate of the impact of the economy on future earnings and cash flows, in particular the discount rates and the terminal growth rate.

Expected credit losses of Trade receivables and Loans and receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. To measure the expected credit losses, trade receivables have been grouped per the overall aging of each account.

The expected loss rates are based on the payment profiles of fee income and sales over a period of 24 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group and company have identified the GDP and inflation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

Furthermore, key assumptions used in the calculations have been adjusted to reflect management's best estimate of the impact of the struggling economy on future earnings and cash flows and the expected credit loss matrix was adjusted accordingly.

Fair values in business combinations

Management uses valuation techniques to determine the fair value of assets and liabilities acquired in a business combination. Fair value of property, plant and equipment is determined by using external valuations as well as rental return on property. Client lists (learner enrolments) are valued through a net present value model of the contribution from the enrolments at the school, based on their estimated future enrolment period.

Although a comprehensive valuation exercise is performed for each business combination, the group applies initial accounting for its business combinations, which will allow the group a period of one year after the acquisition date to retrospectively adjust the provisional amounts recognised for a business combination.

Share-based payments

Management uses the Black-Scholes Model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 16.

Revenue from contracts with customers

Registration fees carry a separate stand-alone transaction price which is recognised over time as the services are rendered. In recognising the registration fees over time, management estimates the average tenure of learners and recognise the registration fee over this period.

The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to registration fees, is represented by the contract liability balance at year end and as disclosed in note 20.

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1.2 Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group and company takes into account the characteristics of the asset or liability if market participants were to take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based payments*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety. The levels are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and the company and all investees that are controlled by the group and the company.

The group and the company have control of an investee when they have power over the investee; they are exposed to or have rights to variable returns from involvement with the investee; and they have the ability to use their power over the investee to affect the amount of the investor's returns. The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group and the company. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

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Accounting policies

1.4 Business combinations

The group and the company account for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity that arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition conditions of IFRS 3 *Business combinations* are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 *Non-current assets held-for-sale and discontinued operations*, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group and the company assess the classification of the acquiree's assets and liabilities and reclassify them where the classification is inappropriate for group and company purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, that are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS Accounting Standards.

In cases where the group and the company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured at fair value as at acquisition date. The measurement at fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group and the company at the end of each reporting period with, the adjustment recognised in equity through to other comprehensive income.

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.

Business combinations under common control are accounted for at book value at acquisition date, no new goodwill is recognised and is prospectively applied.

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Accounting policies

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets that the group and the company hold for their own use and are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost. Cost includes all the expenditure that is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments with respect to hedge accounting, where appropriate. Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land, which is stated at cost less any accumulated impairment losses.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group and the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Not depreciated	Not depreciated
Buildings	Straight line	75 years to 99 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	6 years
Premises equipment	Straight line	5 years to 6 years
School equipment	Straight line	5 years to 6 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3 years to 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment on an annual basis, or more frequently if events or changes in circumstances indicate that they might be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

The recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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Accounting policies

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are recognised at cost and carried at cost less any accumulated amortisation and any impairment losses. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; or
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indication that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values in profit or loss as follows:

Item	Useful life
Learner enrolments (client list)	1 to 14 years
Trademarks	Indefinite
Curriculum material	6 years
Computer software	2 to 5 years

1.7 Investment in subsidiaries

Company annual financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

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

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

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

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Accounting policies

1.8 Financial instruments

Classification of financial assets and financial liabilities

Financial assets

The group classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The group classifies its financial assets into the following categories:

- Measured at amortised cost
- Fair value through other comprehensive income (OCI)
- Fair value through profit or loss

The group and company classify their financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The group and company classify their financial assets as at fair value through other comprehensive income only if both of the following criteria are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities include third-party liabilities, borrowings, derivative financial liabilities and trade and other payables, as well as standalone loans from subsidiaries.

The group and company classify their financial liabilities at amortised cost unless it relates to a hedge instrument, which is measured at fair value through other comprehensive income or fair value through profit or loss depending on the effectiveness of the hedge.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Recognition and derecognition

Financial instruments are recognised when the group and the company become a party to the contractual provisions of the instruments.

Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

An entity shall remove a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished specifically when the obligation specified in the contract is discharged, cancelled or expires.

Measurement

Financial assets and financial liabilities are measured at fair value at initial recognition.

Transaction costs on financial assets and financial liabilities at fair value through profit or loss are recognised in profit or loss.

For financial assets and financial liabilities that are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category, as indicated below.

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Accounting policies

1.8 Financial instruments (continued) Measurement (continued)

A gain or loss on a financial asset that is measured at fair value will be recognised in profit or loss unless it is a financial asset measured at fair value through other comprehensive income for which gains or losses are recognised in other comprehensive income.

Financial assets measured at amortised cost are subsequently measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Loans to and from group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are measured at amortised cost. Loans from group companies are measured as financial liabilities at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The group and company holds trade receivables with the objective to collect the contractual cash flows. The group and company apply the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for trade receivables.

Trade and other payables

Trade payables are measured initially at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and are subsequently measured at amortised cost.

Investment in money market funds

The company invests in local money market funds by way of investing in South African unit trusts managed by money market instruments of major South African banks. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of IAS 7: Statement of Cash flows. These instruments are categorised as “financial assets at fair value through profit and loss.”

Bank overdrafts and borrowings

Bank overdrafts and borrowings are measured initially at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group’s accounting policy for borrowing costs.

Impairment of financial assets

Financial assets measured at amortised cost comprise trade receivables for providing independent education and ancillary services, but also include other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. Other types of financial assets are:

- Loans to group companies
- Other loans and receivables
- Investments in money market funds
- Cash and cash equivalents

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1.8 Financial instruments (continued)

Impairment of financial assets (continued)

Trade receivables

The group and company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables (Refer to note 13 for more details on Expected credit loss provision). Impairment provisions on loans to group companies are recognised based on a general model expected credit loss basis.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments for a period of greater than 24 months is an indicator that there is no reasonable expectation of recovery. Write off does not happen by default after 24 months although the debtor would have been provided for at 90% for active debtors and 100% for inactive debtors after 24 months. The amounts written off during the period are not subject to further enforcement activities.

Impairment losses on trade receivables are presented as Expected credit losses on financial assets in the statements of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant. For loans to group companies and other loans and receivables, the group and company identifies as an event of default, based on historical data indicating irrecoverability, when internally or externally sourced information suggests the debtor is unlikely to fulfil obligations entirely. These assets are written off when there are indicators of no viable recovery prospects with scenarios where the counterparty encounters financial distress or undergoes liquidation proceedings.

Where financial assets are impaired through use of a provision account, the amount is presented as Expected credit losses on financial assets in the statement of comprehensive income. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against Expected credit losses on financial assets.

Hedging activities

The group and company elected to continue with hedge accounting according to IAS 39 as permitted by IFRS 9. Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The group and the company designate derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The group and the company document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as their risk management objectives and strategy for undertaking various hedging transactions. The group and the company also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income.

Amounts accumulated in equity are reclassified from equity to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time are immediately recognised in profit or loss.

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1.9 Tax

Current income tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction or affects neither accounting profit nor taxable profit (tax loss).

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event that is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

The group leases a few school buildings. Rental contracts are typically concluded for an initial fixed period of 3 to 20 years with an extension option.

Contracts may contain both lease and non-lease components. The group and company have applied a practical expedient and do not separate lease and non-lease components. The group and company account for each lease component and any associated non-lease components as a single lease component.

Leases are recognised as a right-of-use asset with a corresponding liability at the date which the leased asset is available for use by the group.

Lease liabilities arising from a lease are initially measured at the present value of the lease payments that are not paid at that date. Lease liabilities include the net present value of the in-substance fixed payments and fixed payments. Property rates and taxes are considered to be variable lease payments that do not depend on an index or rate, therefore these payments have not been included in the measurement of the lease liability.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The group uses as the discount rate the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the lease payments are discounted using the incremental borrowing rate that the group would have paid to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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1.10 Leases (continued)

To determine the incremental borrowing rate, the group considers the following:

- Property specific nature
- Group borrowing rate for similar financing arrangements
- The governmental bond rate
- Adjustments specific to the lease, e.g. term, country, currency and security

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets arising from a lease are initially measured at cost. The cost shall comprise the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs

Right-of-use assets are depreciated over the lease term on a straight-line basis which ranges between 3 to 90 years. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and low-value assets with a cost value of one hundred thousand rand or less. Low-value assets comprise mainly IT equipment.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of non-financial assets

The group and the company assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group and the company estimate the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group and the company also:

- test intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount. This impairment test is performed at the end of the annual period and at the same time every period; and
- test goodwill acquired in a business combination for impairment annually.

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Accounting policies

1.12 Impairment of non-financial assets (continued)

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 to sell and its value in use.

If the recoverable amount of an 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.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

1.14 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity is measured indirectly by reference to the fair value of the equity instruments granted.

If the share-based payments vest immediately, the services received are recognised in full.

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1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and is not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.16 Provisions and contingencies

Provisions are recognised when:

- The group and the company have a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement will be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement will be treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the entity has a contract that is onerous, the present obligation under the contract will be recognised and measured as a provision. A constructive obligation to restructure arises only when the entity:

- Has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken;
 - when the plan will be implemented; and
- Has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position as the asset is no longer considered to be contingent.

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Accounting policies

1.17 Revenue

Revenue from Contracts with Customers

Revenue is measured based on the transaction price in accordance with the school fee structure. The group provides independent education and ancillary services from group 1 (three month old babies) to Grade 12. Revenue from providing these services is recognised over time in the accounting period in which the services are rendered.

Revenue generated from registration and tuition fees, hostel fees, aftercare fees, and bus income are recognised over time as the services are rendered. Each service represents a separate performance obligation with a separate transaction price.

The discounts on tuition and registration fees represent variable consideration and are accounted for as a reduction of revenue in the same year that the revenue is recognised.

Textbook, uniform, stationery and tuckshop revenue, which are included in recovery income and other income, are recognised at a point in time as the performance obligation is satisfied.

The transaction price is determined in accordance with the school fee structure and each fee charged per performance obligation represents the stand-alone selling price of that service. Subsequently, no allocation of transaction prices to multiple performance obligations are required.

All of these services, excluding the services pertaining to registration fees, are satisfied within one year and consequently does not result in any unsatisfied performance obligations at year end.

Registration fees are paid to grant access to or to provide a right to use a school. Registration fees paid by customers are non-refundable. The existence of a non-refundable registration fee indicates that the arrangement includes a renewal option for future services (access to school facilities) at a reduced price (customer renews the agreement without the payment of an additional registration fee). By not requiring the customer to pay the enrolment fee again at renewal, the group and company are effectively providing a discounted renewal rate to the customer. Re-registration fees are paid annually and are therefore recognised in the year to which it relates to. Refer to note 20 for more detail.

Registration fees are billed upfront and represent a material right in terms of the contractual arrangement with the learner. The registration fee is recognised as a contract liability upon receipt and recognised as revenue over the expected period that a learner will remain with the school. The group determined that the renewal option is a material right because it provides a renewal option at a lower price than the range of prices typically charged, and therefore it is a separate performance obligation. Revenue relating to the material right is recognised over time, over a period of 3 years, as we provide the learner with access to the school.

Tuition fees are billed on a monthly basis in advance with revenue being recognised in the same month. Some parents pay school fees in advance for one month or more which is recognised as a contract liability and is separate from the contract liability recognised for registration fees.

Segment revenue relates to independent education services rendered. For further information refer to note 2, note 20 and note 23.

Other Revenue

Interest is recognised in profit or loss using the effective interest rate method. Dividends are recognised in profit or loss when the company's right to receive payment has been established. Rental income is recognised when the company has a right to receive payment.

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. 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 investment income on temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

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Accounting policies

1.18 Borrowing costs (continued)

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are substantially complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments* and
- the amount initially recognised less, where applicable the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, fair values are accounted for as contributions and recognised as part of the cost of the investment.

1.20 Foreign currency translation

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in the statement of comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

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

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

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2. Segmental information

The reportable segments, which represent the structure used by the chief operating decision makers, to make key operating decisions and assess performance, are set out below:

Reportable segment	Product and service
Curro	Independent education and ancillary service. Includes Select schools, Curro Academy Schools, Curro Preschools, Curro Assisted Learning, Curro DigiEd, Curro Private College and Curro Online
Meridian	Independent education and ancillary services with restricted funding

Segmental revenue and results

The executive committee (exco) assesses the performance of the operating segments based on the measure of adjusted EBITDA, adjusted EBIT and recurring headline earnings. Adjusted EBITDA takes a headline approach and represent earnings before interest, tax, depreciation, amortisation but excludes impairment, bargain purchase gains and profit or loss on sale of property, plant and equipment. Adjusted EBIT takes the same approach as for adjusted EBITDA. Recurring headline earnings is headline earnings adjusted to remove the effects of expenses that are unusual or one-time occurrences.

Transactions within the group and the company take place on an arm's length basis.

The segment information provided to the exco is presented below.

	2023			2022		
	Curro R million	Meridian R million	Total R million	Curro R million	Meridian R million	Total R million
Total segment revenue	4 348	381	4 729	3 802	365	4 167
Inter-segment revenue	(10)	-	(10)	(11)	-	(11)
Revenue from external customers	4 338	381	4 719	3 791	365	4 156
Other income	41	4	45	-	-	-
Employee costs	(2 067)	(171)	(2 238)	(1 881)	(173)	(2 054)
Expected credit losses on financial assets	(110)	(18)	(128)	(125)	(22)	(147)
Other expenses	(1 125)	(118)	(1 243)	(921)	(108)	(1 029)
Adjusted EBITDA	1 077	78	1 155	863	63	926
Depreciation and amortisation	(300)	(8)	(308)	(273)	(8)	(281)
Adjusted EBIT	777	70	847	590	55	645
Impairment of property, plant and equipment	(395)	(2)	(397)	(163)	-	(163)
Reversal of impairment of property, plant and equipment	31	14	45	-	-	-
Impairment of goodwill	(87)	-	(87)	(3)	-	(3)
Impairment of intangible assets	(26)	-	(26)	(8)	-	(8)
(Loss) / Profit on sale of property, plant and equipment	(10)	-	(10)	1	-	1
Other once-off income ¹	-	-	-	-	25	25
Investment income	47	7	54	42	8	50
Finance cost	(237)	(91)	(328)	(177)	(81)	(258)
Taxation	(42)	(24)	(66)	(36)	(18)	(54)
Profit after taxation	58	(26)	32	246	(11)	235
Recurring headline earnings						
Recurring headline earnings ²	449	(23)	426	349	(19)	330
Recurring headline earnings per share (cents)	77.1	(3.9)	73.2	58.6	(3.2)	55.4

1. Other once-off income relates to a subsidy received from the provincial government in the prior year.

2. The recurring headline earnings for the Meridian segment was calculated by adding back the impairment amount of R9 million (net of tax) and adjusting for the non-controlling interest portion. Refer to note 30 for calculation of recurring headline earnings for group.

3. The line items presented in the segment report were restated to separately present employee cost, expected credit losses and other expenses per segment.

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2. Segmental information (continued)

	2023			2022		
	Curro R million	Meridian R million	Total R million	Curro R million	Meridian R million	Total R million
Revenue from external customers:	4 338	381	4 719	3 791	365	4 156
Registration and tuition fees	4 275	329	4 604	3 800	313	4 113
Hostel fees	34	42	76	28	42	70
Aftercare fees	71	6	77	58	5	63
Bus income	59	-	59	48	-	48
Recovery income	74	3	77	55	2	57
Rental income ⁴	-	-	-	12	-	12
Subsidy income ⁴	-	-	-	-	6	6
Other income	133	14	147	95	11	106
Discounts granted	(308)	(13)	(321)	(305)	(14)	(319)

4. We have represented the disclosures of our financial statements to correct an error by separately presenting Other income on the face of the statements of other comprehensive income; however, we have not restated prior year figures as this change does not materially impact the comparatives. Refer to notes 23 and 24.

Segment assets and liabilities

The amounts provided to the exco with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Capital expenditure reflects additions to non-current assets other than financial instruments and deferred tax assets.

The amounts provided to the exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities

	2023			2022		
	Curro R million	Meridian R million	Total R million	Curro R million	Meridian R million	Total R million
Capital expenditure	591	58	649	877	30	907
Total assets	11 495	815	12 310	11 504	760	12 264
Total liabilities	4 291	891	5 182	4 198	810	5 008

Geographical information

The group operates in three principal geographical areas – South Africa, Namibia and Botswana.

The group's revenue from continuing operations from external customers by location of operations and non-current assets by location of assets is detailed below:

	2023		2022	
	Revenue from external customers R million	Non-current assets R million	Revenue from external customers R million	Non-current assets R million
South Africa	4 519	11 161	3 974	11 165
Namibia	151	413	137	418
Botswana	49	107	45	106
Total	4 719	11 681	4 156	11 689

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3. New and revised standards

3.1 Standards and amendments effective and adopted in the current year

In the current year, the group and the company have adopted the following standards and amendments that are effective for the current financial year and that are relevant to their operations:

Standard/Amendment:	Key requirements	Effective date:
<ul style="list-style-type: none"><i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</i>	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	01 January 2023
<ul style="list-style-type: none"><i>Definition of Accounting Estimates – Amendments to IAS 8</i>	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p>	01 January 2023
<ul style="list-style-type: none"><i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</i>	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none">right-of-use assets and lease liabilities, anddecommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.</p> <p>IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.</p>	01 January 2023

The adoption of these standards and amendments did not have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.

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3.2 Standards and amendments not yet effective

The group and the company have chosen not to early adopt the following standards and amendments, which have been published and are mandatory for the group and the company's accounting periods beginning on or after 01 January 2024 or later periods:

Standard/Amendment:	Effective date: Years beginning on or after	Executive summary:	Impact:
<p><i>Classification of Liabilities as Current or Non-current - Amendments to IAS 1</i></p> <p><i>Non-current Liabilities with Covenants – Amendments to IAS 1</i></p>	<p>1 January 2024</p>	<p>Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).</p> <p>Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.</p> <p>The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:</p> <ul style="list-style-type: none"> • the carrying amount of the liability • information about the covenants, and • facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. <p>The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.</p> <p>The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.</p>	<p>The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements but are still being assessed.</p>

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3.2 Standards and amendments not yet effective (continued)

Standard/Amendment:	Effective date: Years beginning on or after	Executive summary:	Impact:
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	1 January 2024	<p>In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.</p> <p>The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.</p>	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.
<i>Supplier finance arrangements – Amendments to IAS 7 and IFRS 7</i>	1 January 2024	<p>The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> falls short of meeting user information needs.</p> <p>The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:</p> <p>The terms and conditions of SFAs.</p> <ol style="list-style-type: none"> 1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented. 2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers. 3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. 4. Non-cash changes in the carrying amounts of financial liabilities in (b). 5. Access to SFA facilities and concentration of liquidity risk with finance providers. <p>The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends.</p>	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements but are still being assessed.

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3.2 Standards and amendments not yet effective (continued)

Standard/Amendment:	Effective date: Years beginning on or after	Executive summary:	Impact:
<i>Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28</i>	n/a**	<p>The IASB has made limited scope amendments to <i>IFRS 10 Consolidated Financial Statements</i> and <i>IAS 28 Investments in Associates and Joint Ventures</i>.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in <i>IFRS 3 Business Combinations</i>).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>	<p>The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.</p>

The group plans to adopt the standards and amendments on the applicable effective date.

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4. Property, plant and equipment

Group

	Land and buildings R million	Furniture and fixtures R million	Computer equipment R million	Motor vehicles R million	School equipment R million	Premises equipment R million	Office equipment R million	Total R million
As at 1 January 2022								
Cost	9 559	493	542	173	257	128	12	11 164
Accumulated depreciation and impairment	(418)	(295)	(317)	(93)	(167)	(66)	(8)	(1 364)
Carrying value	9 141	198	225	80	90	62	4	9 800

For the year ended 31 December 2022

Opening balance	9 141	198	225	80	90	62	4	9 800
Additions ¹	665	76	88	7	33	38	-	907
Additions through business combinations	162	1	1	2	1	1	-	168
Disposals	-	-	-	(1)	-	-	-	(1)
Depreciation	(41)	(49)	(53)	(10)	(33)	(14)	(1)	(201)
Exchange difference	(1)	-	-	-	-	-	-	(1)
Assets held for sale	(31)	-	-	-	-	-	-	(31)
Impairment provision	(137)	(6)	(7)	(1)	(2)	(1)	-	(154)
Closing balance	9 758	220	254	77	89	86	3	10 487

As at 31 December 2022

Cost	10 352	567	632	181	291	167	12	12 202
Accumulated depreciation and impairment	(594)	(347)	(378)	(104)	(202)	(81)	(9)	(1 715)
Carrying value	9 758	220	254	77	89	86	3	10 487

For the year ended 31 December 2023

Opening balance	9 759	220	254	77	88	86	3	10 487
Additions ¹	439	66	104	29	37	9	1	685
Disposals	(20)	-	-	-	-	-	-	(20)
Depreciation	(49)	(53)	(62)	(13)	(30)	(15)	(1)	(223)
Exchange difference	2	-	-	-	-	-	-	2
Assets held for sale	(36)	-	-	-	-	-	-	(36)
Impairment provision	(369)	(9)	(9)	(3)	(4)	(3)	-	(397)
Reversal of impairment provision	45	-	-	-	-	-	-	45
Closing balance	9 771	224	287	90	91	77	3	10 543

As at 31 December 2023

Cost	10 671	611	719	206	322	174	11	12 714
Accumulated depreciation and impairment	(900)	(387)	(432)	(116)	(231)	(97)	(8)	(2 171)
Carrying value	9 771	224	287	90	91	77	3	10 543

1. Cash additions amounted to R649 million (2022: R901 million) which mainly excludes new instalment sale agreements per note 34.

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4. Property, plant and equipment (continued)

Company

	Land and buildings R million	Furniture and fixtures R million	Computer equipment R million	Motor vehicles R million	School equipment R million	Premises equipment R million	Office equipment R million	Total R million
As at 1 January 2022								
Cost	8 369	453	488	159	231	117	10	9 827
Accumulated depreciation and impairment	(374)	(268)	(277)	(86)	(151)	(64)	(7)	(1 227)
Carrying value	7 995	185	211	73	80	53	3	8 600

For the year ended 31 December 2022

Opening balance	7 995	185	211	73	80	53	3	8 600
Additions ¹	632	73	83	6	28	37	1	860
Additions through business combinations	162	1	1	2	1	1	-	168
Disposals	-	-	-	(1)	-	-	-	(1)
Depreciation	(38)	(46)	(49)	(9)	(30)	(12)	(1)	(185)
Assets held for sale	(10)	-	-	-	-	-	-	(10)
Impairment provision	(137)	(6)	(7)	(1)	(2)	(1)	-	(154)
Closing balance	8 604	207	239	70	77	78	3	9 278

As at 31 December 2022

Cost	9 151	523	573	166	260	156	10	10 839
Accumulated depreciation and impairment	(547)	(316)	(334)	(96)	(183)	(78)	(7)	(1 561)
Carrying value	8 604	207	239	70	77	78	3	9 278

For the year ended 31 December 2023

Opening balance	8 604	207	239	70	77	78	3	9 278
Additions ¹	398	59	92	24	29	8	-	610
Disposals	(20)	-	-	-	-	-	-	(20)
Depreciation	(46)	(51)	(56)	(12)	(26)	(14)	(1)	(206)
Assets held for sale	(22)	-	-	-	-	-	-	(22)
Impairment provision	(368)	(9)	(9)	(3)	(4)	(3)	-	(396)
Reversal of impairment provision	31	-	-	-	-	-	-	31
Closing balance	8 577	206	266	79	76	69	2	9 275

As at 31 December 2023

Cost	9 441	560	649	186	284	161	9	11 290
Accumulated depreciation and impairment	(864)	(354)	(383)	(107)	(208)	(92)	(7)	(2 015)
Carrying value	8 577	206	266	79	76	69	2	9 275

1. Cash additions amounted to R575 million (2022: R854 million) which excludes new instalment sale agreements per note 34.

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4. Property, plant and equipment (continued)

Impairments

Current year ended on 31 December 2023

Impairment calculations were performed at school level (cash generating unit). Twenty-four schools and certain land erven in the Curro segment and one school in the Meridian segment grew at weaker growth rates than expected and had muted prospects, which led to impairments of R396 million and R2 million, respectively.

R31 million and R14 million of previously impaired schools in the Curro segment and Meridian segment, respectively, have been reversed during the year due to increased enrolments and more effective cost management. These previously impaired schools are forecasted to generate higher cash flows.

The group's high schools continue to grow in line with expectations but the challenging effects of higher interest rates on constrained consumers impacted young families negatively and resulted in a reduction in new enrolments of learners in the youngest grades of primary schools. The recoverable amount of the Cash-generating units (CGU) is based on their value in use calculation. The remaining recoverable amount for the schools impaired in the Curro segment were R3.3 billion and for the Meridian segment R123 million.

The key assumptions for the value-in-use calculations are discount rates, terminal growth rate and EBITDA growth.

- Management estimates discount rates using rates that reflect current market data available and these rates are adjusted for risks specific to the CGU. Refer to note 6 for the disclosure of the discount rate.
- The terminal growth rate is based on the tuition fee increases.

Growth in learner numbers, the average price increases for tuition fees and operating expense growth are all interrelated when determining EBITDA growth.

- Growth in learner numbers reflects past experience and estimated growth in enrolment numbers. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the schools. The average learner number growth used in the calculation ranges from nil to 7% (2022: nil to 7%),
- The average price increases for tuition fees ranges from 5% to 9% (2022: 5% to 9%).
- Operating expenses growth is a function of growth in student numbers, inflation and cost control.

The group and the company prepare five-year cash flow forecasts based on the CGU's budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the terminal growth rate of 5.8% (2022: 5.8%). In determining the growth rate, consideration is given to the growth potential of the respective CGU.

If the discount rate used in the value-in-use calculation for all the CGUs had been 1% higher than management's estimate at 31 December 2023, the group and company would have to recognise an additional impairment of R247 million and R239 million (2022: R127 million for group and company) respectively against the carrying amount of property, plant and equipment and Rnil (2022: R1 million) for both group and company against the carrying amount of intangible assets, respectively.

If the terminal growth rate used in the value-in-use calculation for all the CGUs had been 1% lower than management's estimate at 31 December 2023, the group and company would have to recognise an additional impairment of R156 million and R151 million (2022: R80 million for group and company) respectively against the carrying amount of property, plant and equipment and Rnil (2022: R1 million) for both group and company against the carrying amount of intangible assets, respectively.

If the EBITDA used in the value-in-use calculation for all the CGUs had been 5% lower than management's estimate at 31 December 2023, the group and company would have to recognise an additional impairment of R135 million and R130 million respectively against the carrying amount of property, plant and equipment and Rnil for both group and company against the carrying amount of intangible assets, respectively.

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4. Property, plant and equipment (continued)

Prior year ended on 31 December 2022

Impairment calculations were performed at school level (cash generating unit) and twelve schools and certain land erven in the Curro segment grew at weaker growth rates than expected and had muted prospects, which led to impairments of R183 million. R29 million of previously impaired schools have been reversed during the previous year. The recoverable amount of the properties was based on their value in use calculation. The remaining recoverable amount for the schools impaired were R1.2 billion.

Pledged as security

The following assets have been pledged as security for the secured long-term borrowings as disclosed in note 18.

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Land and buildings	7 076	7 326	7 076	7 076
Motor vehicles	46	32	46	32
Borrowing cost capitalised ¹				
Borrowing costs capitalised to qualifying assets	30	30	30	30
Capitalisation rate used	9.4%	6.6%	9.4%	6.6%

1. Borrowing cost capitalised is included as part of the additions in the book value reconciliations included in this note.

Registers containing the information required by Regulation 25(3) of the Companies Regulations, 2011 are available for inspection at the registered office of Curro Holdings Limited.

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5. Leases

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Amounts recognised in the statement of financial position				
Right-of-use assets: Land and buildings				
As at 1 January				
Cost	345	338	344	337
Accumulated depreciation and impairment	(56)	(33)	(56)	(33)
Carrying value	289	305	288	304
For the year ended 31 December				
Opening balance	289	305	288	304
Additions	-	2	-	2
Additions through business combinations	32	-	32	-
Remeasurements	5	5	5	5
Impairment provision	-	(9)	-	(9)
Depreciation	(15)	(14)	(15)	(14)
Closing balance	311	289	310	288
As at 31 December				
Cost	383	345	381	344
Accumulated depreciation and impairment	(72)	(56)	(71)	(56)
Carrying value	311	289	310	288
Lease liabilities				
Non-current liabilities	(378)	(342)	(377)	(341)
Current liabilities	(46)	(38)	(46)	(38)
	(424)	(380)	(423)	(379)
Amounts recognised in the statement of comprehensive income				
Depreciation charge: Land and buildings	15	14	15	14
Interest expense (included in finance cost)	51	45	51	45
Low value lease expenses (included in operating expenses)	8	8	6	7
Short term lease expenses (included in operating expenses)	1	1	1	-
Variable lease expenses (included in operating expenses)	5	4	5	4
Cash outflow				
The capital portion	(14)	(10)	(14)	(10)
Total interest portion	(51)	(45)	(51)	(45)
	(65)	(55)	(65)	(55)

The right-of-use asset in the statement of financial position consists of ten schools and two admin buildings (2022: nine schools and two admin buildings) and/or land that are leased over various periods.

When testing right-of-use assets for impairment, the recoverable amounts of the assets are determined based on the CGU's to which the right-of-use assets relate using value-in-use calculations.

During the year under review, no right-of-use assets were impaired (2022: R9 million). Refer to note 4 for recoverable amounts and sensitivity analysis.

The remeasurements primarily relate to the annual escalation of various lease contracts, linked to the annual inflation rate.

At the end of the year, potential undiscounted future cash outflows of R159 million (2022: R104 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

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Notes to the consolidated and separate financial statements

6. Goodwill

	Group R million	Company R million
As at 1 January 2022		
Cost	576	189
Accumulated impairment	(15)	(15)
Carrying value	561	174
Year ended 31 December 2022		
Opening balance	561	174
Changes through business combinations	44	44
Impairment provisions	(3)	(3)
Closing balance	602	215
As at 31 December 2022		
Cost	620	233
Accumulated impairment	(18)	(18)
Carrying value	602	215
Year ended 31 December 2023		
Opening balance	602	215
Changes through business combinations	28	-
Prior business combination adjustment	(7)	(7)
Impairment provisions	(87)	(61)
Closing balance	536	147
As at 31 December 2023		
Cost	641	226
Accumulated impairment	(105)	(79)
Carrying value	536	147

Impairment of goodwill

The goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business. Goodwill is tested for the impairment annually, irrespective of whether or not there is any indication of impairment, or more frequently if there are indicators that goodwill might be impaired.

Out of all the schools that had impairments during the year, only five schools (2022: one school) had a goodwill impairment totaling R87 million for group and R61 million for company respectively (2022: R3 million for group and company). The schools exhibited slower-than-expected growth. The goodwill relates to four schools in the Curro schools line and Cooper College as disclosed on the following page.

When testing goodwill for impairment, the recoverable amounts of the CGUs, which are mostly represented by a school or campus, are determined using value-in-use calculations. Intangibles are included in this test for impairment. The key assumptions for the value-in-use calculations are discount rates, terminal growth rates and EBITDA growth. Management estimates discount rates using rates that reflect current market data available and these rates are adjusted for risks specific to the CGU. However, all current CGUs with goodwill are mature schools and have been operating for more than 7 years. The terminal growth rate is based on the tuition fee increases, growth in learner numbers and reflects past experience. The average learner number growth used in the calculation ranges from nil to 7% (2022: nil to 7%), while the average price increases for tuition fees ranges from 5% to 9% (2022: 5% to 9%).

The group and the company prepare five-year cash flow forecasts based on the CGU's budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the terminal growth rate of 5.8% (2022: 5.8%). In determining the growth rate, consideration is given to the growth potential of the respective CGU. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business.

As all schools operate in the same industry, the environment and the areas they operate in are similar, no additional risk premium is added to the discount rates.

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6. Goodwill (continued)

Impairment tests for CGUs containing goodwill are based on the following assumptions:

Group	Discount rate 2023	Discount rate 2022	Forecast period 2023	Forecast period 2022	Goodwill 2023	Goodwill 2022
					R million	Restated ¹ R million
Curro schools	15.6% p.a	14.5% p.a	5 years	5 years	57	75
HeronBridge College	15.6% p.a	14.5% p.a	5 years	5 years	36	43
Courtney House International	15.6% p.a	14.5% p.a	5 years	5 years	28	-
Aurora College	15.6% p.a	14.5% p.a	5 years	5 years	15	15
Curro Midrand	15.6% p.a	14.5% p.a	5 years	5 years	70	70
Woodhill College	15.6% p.a	14.5% p.a	5 years	5 years	59	59
Waterstone College	15.6% p.a	14.5% p.a	5 years	5 years	58	58
Cooper College	15.6% p.a	14.5% p.a	5 years	5 years	-	69
Northriding College	15.6% p.a	14.5% p.a	5 years	5 years	27	27
Land of Oz	15.6% p.a	14.5% p.a	5 years	5 years	11	11
Campus and Property Management Company (Pty) Ltd	15.6% p.a	14.5% p.a	5 years	5 years	96	96
Curro Education Namibia (Pty) Ltd	15.6% p.a	14.5% p.a	5 years	5 years	59	59
Curro Education Botswana (Pty) Ltd	15.6% p.a	14.5% p.a	5 years	5 years	20	20
					536	602
Company						
Curro schools	15.6% p.a	14.5% p.a	5 years	5 years	147	215

1. The goodwill balance was disaggregated and presented per CGU in the current financial year, as required by IFRS.

The comparative figures were restated accordingly.

Curro schools consist of the following: Durbanville, Langebaan, Helderwyk, Hermanus, Serengeti, Nelspruit, Heritage House, Hillcrest, Bloemfontein, Krugersdorp, Rosen Castle, Curro Academy Pretoria, Salt Rock, Sagewood, The King's School Linbro Park, HeronBridge College and Courtney House International School.

Aurora College, Curro Midrand, Woodhill College, Waterstone College, Cooper College, Northriding College, Land of Oz, Campus and Property Management Company (Pty) Ltd, Curro Education Namibia (Pty) Ltd and Curro Education Botswana (Pty) Ltd represent the CGUs that have been assessed as significant by management in terms of International Accounting Standard 36 – *Impairment of Assets* ("IAS 36") paragraph 134.

All other CGUs have been presented in aggregate as Curro Schools in accordance with IAS 36 paragraph 135. All the goodwill relates to the Curro segment except for the R96 million of Campus and Property Management Company (Pty) Ltd which relates to the Meridian segment.

If the discount rate used in the value-in-use calculation for the CGUs had been 1% higher than management's estimate at 31 December 2023, the group and company would have to recognise an additional R67 million and R59 million of impairment against the carrying amount of goodwill (2022: R41 million for group and company), respectively.

If the terminal growth rate used in the value-in-use calculation for the CGUs had been 1% lower than management's estimate at 31 December 2023, the group and company would have to recognise an additional impairment of R26 million against the carrying amount of goodwill (2022: R18 million for group and company), respectively.

If the EBITDA used in the value-in-use calculation for all the CGUs had been 5% lower than management's estimate at 31 December 2023, the group and company would have to recognise an additional impairment against the carrying amount of goodwill of R29 million, respectively.

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7. Intangible assets

Intangible assets with indefinite useful lives are assessed for impairment annually, irrespective of whether or not there is any indication of impairment, or more frequently if there are indicators that intangibles may be impaired.

The useful life of trademarks is considered indefinite as it relates to acquired schools that operate under an existing brand. It is not bound by any expiry period and there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the group and the company.

Curriculum materials are educational resources that provide curriculum and instructional experiences for learners. It is internally generated and amortised over 6 years.

Internally generated software relates to business system developments.

Learner enrolments were all acquired as part of business combinations.

Group

	Trademarks R million	Curriculum material R million	Learner enrolments R million	Software R million	Total R million
As at 1 January 2022					
Cost	99	147	61	200	507
Accumulated amortisation and impairment	(6)	(44)	(43)	(126)	(219)
Carrying value	93	103	18	74	288

Year ended 31 December 2022

Opening balance	93	103	18	74	288
Additions through business combinations	22	-	-	-	22
Internally generated	-	17	-	26	43
Additions	-	-	-	21	21
Impairment provision	-	(8)	-	-	(8)
Amortisation	-	(23)	(3)	(40)	(66)
Closing balance	115	89	15	81	300

As at 31 December 2022

Cost	121	163	61	247	592
Accumulated amortisation and impairment	(6)	(74)	(46)	(166)	(292)
Carrying value	115	89	15	81	300

Year ended 31 December 2023

Opening balance	115	89	15	81	300
Additions through business combinations	3	-	-	-	3
Internally generated	-	12	-	25	37
Additions	-	-	-	18	18
Impairment provision	(26)	-	-	-	(26)
Amortisation	-	(24)	(4)	(42)	(70)
Closing balance	92	77	11	81	261

As at 31 December 2023

Cost	124	175	61	287	647
Accumulated amortisation and impairment	(32)	(98)	(50)	(206)	(386)
Carrying value	92	77	11	81	261

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7. Intangible assets (continued)

Company

	Trademarks R million	Curriculum material R million	Learner enrolments R million	Software R million	Total R million
As at 1 January 2022					
Cost	47	147	31	197	422
Accumulated amortisation and impairment	(6)	(44)	(22)	(124)	(196)
Carrying value	41	103	9	73	226

Year ended 31 December 2022

Opening balance	41	103	9	73	226
Additions through business combinations	22	-	-	-	22
Internally generated	-	17	-	26	43
Additions	-	-	-	21	21
Impairment provision	-	(8)	-	-	(8)
Amortisation	-	(23)	(2)	(39)	(64)
Closing balance	63	89	7	81	240

As at 31 December 2022

Cost	69	163	31	244	507
Accumulated amortisation and impairment	(6)	(74)	(24)	(163)	(267)
Carrying value	63	89	7	81	240

Year ended 31 December 2023

Opening balance	63	89	7	81	240
Additions through business combinations	3	-	-	-	3
Internally generated	-	12	-	25	37
Additions	-	-	-	18	18
Impairment provision	(26)	-	-	-	(26)
Amortisation	-	(24)	(1)	(43)	(68)
Closing balance	40	77	6	81	204

As at 31 December 2023

Cost	72	175	31	284	562
Accumulated amortisation and impairment	(32)	(98)	(25)	(203)	(358)
Carrying value	40	77	6	81	204

When testing trademarks for impairment, the recoverable amounts of the intangibles are determined based on the CGU's to which the trademarks relate using value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, terminal growth rates and EBITDA growth. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risks specific to the respective CGU to which intangibles have been allocated. The terminal growth rate is based on the tuition fee increases, growth in learner numbers and reflects past experience.

The group and the company prepare cash flow forecasts based on the CGU's to which the intangibles relates, consider budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the estimated terminal growth rate. Impairment tests for intangibles are based on a discount rate of 15.6% (2022: 14.5%) per annum and forecasted cash flow of 5 years (2022: 5 years) with a 5.8% (2022: 5.8%) terminal growth rate.

During the year under review, trademarks of R26 million was impaired (2022: curriculum material of R8 million). Refer to note 4 for recoverable amounts and sensitivity analysis.

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7. Intangible assets (continued)

The trademarks relate to the following CGU's:

Group	Trademarks	Trademarks
	2023	2022
	R million	R million
Curro schools	41	64
Aurora College	1	1
Woodhill College	14	14
Campus and Property Management Company (Pty) Ltd	12	12
Waterstone College (Pty) Ltd	13	13
Curro Education Namibia (Pty) Ltd	2	2
Curro Education Botswana (Pty) Ltd	9	9
	92	115
Company		
Curro schools	40	63

8. Interest in other entities

8.1 Joint operations

A subsidiary has a 45% interest in a joint arrangement called the Gymnasium Partnership which was set up as a partnership together with Prosperity Education Namibia (Pty) Ltd, to provide independent school and education services in Namibia.

8.2 Investment in subsidiaries

The following table lists the entities that are controlled by the company, either directly or indirectly through subsidiaries.

Name of company	% holding 2023	% holding 2022	Carrying amount 2023 R million	Carrying amount 2022 R million
Building Blocks Prep School (Pty) Ltd	100%	100%	-	-
Campus and Property Management Company (Pty) Ltd	65%	65%	102	102
Courtney House Learning Centre (Pty) Ltd	100%	-%	-	-
Curro Education Botswana (Pty) Ltd	100%	100%	-	-
Curro Education Namibia (Pty) Ltd	100%	100%	249	249
Curro Financial Services (Pty) Ltd	100%	100%	-	-
Curro Funding Company (Pty) Ltd	100%	100%	-	-
Curro Gymnasium Schools (Pty) Ltd	100%	-%	-	-
Curro Holdings Limited Share Incentive Trust	100%	100%	-	-
Curro Holdings Limited Executive Long-term Incentive Trust	100%	100%	-	-
De Jager Kids (Pty) Ltd	100%	100%	-	-
Heronbridge Estate (Pty) Ltd	100%	100%	-	-
Lilac Moon Trade and investments 189 (Pty) Ltd	100%	100%	-	-
Meridian Operations Company (RF) NPC	65%	65%	-	-
Northriding College Property (Pty) Ltd	100%	100%	-	-
The Ruta Sechaba Foundation	100%	100%	-	-
			351	351

Curro Holdings Limited and its subsidiaries

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8. Interest in other entities (continued)

8.2 Investment in subsidiaries (continued)

The carrying amounts of subsidiaries are shown net of impairment losses. All subsidiaries are incorporated in the Republic of South Africa with the exception of Curro Education Namibia (Pty) Ltd, which is incorporated in Namibia, with the principal place of business being Namibia, and Curro Education Botswana (Pty) Ltd, incorporated in Botswana, with the principal place of business being Botswana.

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests that are material to the group. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Principal place of business	% Ownership and voting interest held by non-controlling interest	
		2023	2022
Campus and Property Management Company (Pty) Ltd	South Africa	35%	35%
Meridian Operations Company (RF) NPC	South Africa	35%	35%

Campus and Property Management Company is a property holding company under the Meridian brand, for Meridian Operations Company, which in turn provides independent school and education services.

No dividends were declared or paid to non-controlling interests during the year.

Restrictive funding arrangements:

Campus and Property Management Company (Pty) Ltd and Meridian Operations Company (RF) NPC.

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2023 amounted to R7 million.

Impairment of investments

Investments in group companies are considered for impairment by assessing the company's financial position.

Courtney House Learning Centre (Pty) Ltd was unbundled into Curro Holdings Ltd on the effective date of the acquisition which resulted in an impairment of the investment. The impairment for 2023 was R28 million (2022: Rnil).

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8. Interest on other entities (continued)

8.2 Investment in subsidiaries (continued)

Summarised statement of financial position

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Total	
	2023	2022	2023	2022	2023	2022
	R million	R million	R million	R million	R million	R million
Assets	751	682	64	78	815	760
Non-current assets	689	640	-	-	689	640
Current assets	62	42	64	78	126	120
Liabilities	847	770	44	40	891	810
Non-current liabilities	749	673	-	-	749	673
Current liabilities	98	97	44	40	142	137
Total net assets	(96)	(88)	20	38	(76)	(50)
Non-controlling interest per statement of financial position					(23)	(14)

Summarised statement of comprehensive income

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Consolidated total	
	2023	2022	2023	2022	2023	2022
	R million	R million	R million	R million	R million	R million
Revenue	171	128	214	237	385	365
Expected credit losses financial assets	(13)	(9)	(4)	(13)	(18)	(22)
Operating expenses	(62)	(61)	(236)	(227)	(297)	(288)
Earnings before interest and taxation	96	58	(26)	(3)	70	55
Net finance (costs) income	(91)	(81)	7	8	(84)	(73)
Impairment	(2)	-	-	-	(2)	-
Impairment reversal	14	-	-	-	14	-
Other once-off income	-	25	-	-	-	25
Taxation	(24)	(18)	-	-	(24)	(18)
(Loss) / profit for the year	(7)	(16)	(19)	5	(26)	(11)
(Loss) / profit allocated to non-controlling interest					(9)	(4)

Summarised statement of cash flows

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Total	
	2023	2022	2023	2022	2023	2022
	R million	R million	R million	R million	R million	R million
Cash flows from operating activities	68	120	3	(42)	71	78
Cash flows from investing activities	(40)	(73)	2	5	(38)	(68)
Cash flows from financing activities	(29)	(51)	-	-	(29)	(51)
Net increase (decrease) in cash	(1)	(4)	5	(37)	4	(41)

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9. Loans to group companies

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Subsidiaries				
Campus and Property Management Company (Pty) Ltd	-	-	379	332
The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all senior debt has been paid.				
The loan has been discounted to its fair value at initial recognition based on the expected interest and capital repayments. The nominal value of the loan is R 304 million.				
Campus and Property Management Company (Pty) Ltd	-	-	9	9
The loan is interest free and unsecured, and there are no fixed terms of repayment.				
Curro Holdings Limited Executive Long-term Incentive Trust	-	-	115	97
The loan is interest free and unsecured, and there are no fixed terms of repayment.				
Curro Education Botswana (Pty) Ltd	-	-	63	65
The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.				
Curro Financial services (Pty) Ltd	-	-	-	-
The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.				
Curro Funding Company (Pty) Ltd	-	-	48	53
The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.				
	-	-	614	556
Disclosed as follows:				
Non-current assets	-	-	571	332
Current assets	-	-	43	224
	-	-	614	556

The loans receivable from group companies were assessed for impairment by applying the expected credit loss model. The company also considered the financial performance, external debt and future cash flows of the loans receivable and concluded that there is some credit risk relating to these loans and loss exposure exists.

The general impairment model has been applied to the Campus and Property Management Company (Pty) Ltd loan of R379 million. This model requires recognising expected credit losses in line with the stage in which the financial asset is recognised. At the reporting date there has not been a significant increase in credit risk since initial recognition and therefore the loss allowance is based on a 12-month ECL. The expected credit loss is determined by discounting the expected cash flows on the loan at the effective interest rate and comparing it to the carrying value (net present value determined at recognition date and unwinding annually). Expected credit loss on this loan is not material. The junior debt is repayable after all the senior debt has been repaid. The senior debt is repayable in 36 equal quarterly instalments and repayment commenced on 1 April 2019.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at reporting date. The borrower's availability of highly liquid assets was considered as part of this assessment and it was concluded that all counter parties except, Curro Education Botswana (Pty) Ltd and Curro Funding Company (Pty) Ltd, had access to sufficient highly liquid assets to repay loans if demanded at reporting date. Expected credit losses on these loans are therefore not material. Curro Education Botswana (Pty) Ltd and Curro Funding Company (Pty) Ltd has therefore remained in stage 2 and lifetime expected credit losses were recognised.

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9. Loans to group companies (continued)

If the borrower did not have access to sufficient highly liquid assets, the company would allow the subsidiaries a "repayment over time" strategy to recover loans due. Following this assessment it was concluded that Curro Education Botswana (Pty) Ltd and Curro Funding Company (Pty) Ltd would be able to raise sufficient cash over a period of time to recover the loans due.

The expected credit losses on loans to group companies were as follow:

Company

Opening loss allowance as at 1 January 2022

Increase in loss allowance recognised in profit and loss during the year

Opening loss allowance as at 1 January 2023

Decrease in loss allowance recognised in profit and loss during the year

Closing loss allowance as at 31 December 2023

R million

6

7

13

(2)

11

Refer to the table below for a summary of the expected credit loss provisions:

	2023		2022	
	Gross loan amount R million	Expected credit loss provision R million	Gross loan amount R million	Expected credit loss provision R million
Campus and Property Management Company (Pty) Ltd				
- Junior debt	379	-	332	-
- Other debt	9	-	9	-
Curro Holdings Limited Executive Long-term Incentive Trust	115	-	97	-
Curro Education Botswana (Pty) Ltd ¹	71	(8)	75	(10)
Curro Financial Services (Pty) Ltd	-	-	3	(3)
Curro Funding Company (Pty) Ltd ¹	51	(3)	53	-
	625	(11)	569	(13)

1. Expected credit loss provision is in Stage 2.

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10. Other financial assets

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
At fair value				
Investment in SA SME Fund	5	5	5	5
Interest rate swap	4	2	4	2
Swap on a notional amount of R512.5 million with a termination date of 14 August 2024 at a fixed interest rate of 7.33%.				
Interest rate swap	-	1	-	1
Swap on a notional amount of R150 million with a termination date of 22 March 2024 at a fixed interest rate of 7.32%.				
Interest rate swap	-	1	-	1
Swap on a notional amount of R150 million with a termination date of 29 November 2023 at a fixed interest rate of 7.28%.				
	9	9	9	9
At amortised cost				
S'Cool Concepts	11	11	11	11
The loan is secured by inventory, interest free and is repayable within 12 months.				
GRIT Procurement Solutions (Pty) Ltd	4	3	4	3
The loan is secured by inventory, bears interest at the prime and is repayable in full by no later than 30 November 2024.				
Brandburry 13 (Pty) Ltd	14	16	-	-
The loan is secured, bears interest and has no fixed payment terms.				
TT Mabena	1	1	-	-
The loan is secured, bears interest and has no fixed payment terms.				
Prosperity Education (Pty) Ltd	-	2	-	-
The loan is unsecured, interest free and has no fixed payment terms.				
PSG investment	3	-	3	-
	33	33	18	14
Total other financial assets	42	42	27	23
Non-current assets				
At fair value	5	8	5	8
At amortised cost	25	3	11	3
	30	11	16	11
Current assets				
At fair value	4	1	4	1
At amortised cost	8	30	7	11
	12	31	11	12
	42	42	27	23

The net carrying values of other financial assets are considered to be a close approximation of their fair values.

The company has applied the general impairment model to loans and other financial assets. The company has considered the financial performance, external debt and future cash flows of the other financial assets, as well as securities offered for loans. It was concluded that the credit risk relating to these loans are limited and that no significant credit loss exposure exists as a result. No expected credit loss provision was therefore provided for on these loans.

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11. Deferred tax (liability) / asset

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Deferred tax liability	(726)	(749)	(605)	(651)
Net deferred tax liability	(726)	(749)	(605)	(651)
Deferred tax				
Property, plant and equipment	(857)	(864)	(733)	(748)
Interest rate swaps	(1)	(1)	(1)	(1)
Intangible assets	(35)	(41)	(19)	(24)
Contract liability	59	53	59	53
Expected credit losses on financial assets	19	22	18	18
Provisions	24	21	24	20
Donations	17	17	-	-
Right-of-use assets	(84)	(80)	(84)	(80)
Lease liabilities	114	102	114	102
Share based payments	17	9	17	9
Tax losses available for set off against future taxable income	1	13	-	-
Total deferred tax	(726)	(749)	(605)	(651)
Reconciliation of net deferred tax liability				
Balance at the beginning of the year	(749)	(664)	(651)	(582)
Originating temporary differences on:				
Property, plant and equipment	7	(46)	15	(43)
Intangible assets	6	(4)	5	(4)
Contract liability	6	36	6	36
Expected credit losses on financial assets	(3)	(14)	-	(16)
Provisions	3	2	4	3
Interest rate swaps	-	(14)	-	(14)
Right-of-use assets	(4)	4	(4)	4
Lease liabilities	12	1	12	1
Share based payments	8	9	8	9
Decrease in tax losses available for set off against future taxable income	(12)	(59)	-	(45)
Balance at the end of the year	(726)	(749)	(605)	(651)

The statutory companies within the group are individually in a net deferred tax liability position.

Recognition of deferred tax asset

Deferred tax asset is recognised for unused tax losses to the extent that probable future taxable profit will be available against which the unused tax losses can be utilised. Management has assessed the future profitability based on the current positive earnings before interest and tax in recognising the deferred tax asset.

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12. Inventories

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Stationery, uniforms, textbooks	17	14	13	11

The amount of inventories recognised as an expense during the period is R80 million (2022: R51 million), being the net amount of stock balances and purchases.

13. Trade and other receivables

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Financial instruments:				
Gross receivables	438	491	362	405
Expected credit loss provision	(139)	(242)	(108)	(193)
Trade receivables	299	249	254	212
Other receivables	10	14	16	19
	309	263	270	231
Non-financial instruments:				
Prepayments	112	93	106	88
Deposits ¹	14	8	6	7
Value added taxation	5	3	-	-
Total trade and other receivables	440	367	382	326

1. Non-refundable supplier deposits

Interest is charged on overdue accounts at 15% per annum. Credit periods may vary based on special payment agreements reached with parents of learners, but normal payment terms are that all fees should be settled within 30 days.

The net carrying values of receivables are considered to be a close approximation of their fair values. No credit insurance is taken out by the group or the company.

The debtors aging as at 31 December 2023:¹

	Current R million	31 - 60 days R million	61 - 90 days R million	>90 days R million	Total R million
Group	95	60	43	240	438
Company	80	51	36	195	362

The debtors aging as at 31 December 2022:¹

	Current R million	31 - 60 days R million	61 - 90 days R million	>90 days R million	Total R million
Group	84	50	37	320	491
Company	73	43	31	258	405

1. Normal debtors aging per invoice.

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13. Trade and other receivables (continued)

The company has become less tolerant of overdue accounts and has been vigilant in rehabilitating or terminating long outstanding accounts.

The company's provision methodology considers the overall aging of each account. The expected credit loss rates are increasing as the debtor's aging deteriorates. To calculate the expected credit loss provision, the full outstanding balance of a debtor account is allocated under its oldest aging category which is different from the normal age analysis. This is the reason for the variance between the balances per bucket below and the debtors aging on the previous page. This categorisation better recognise the risk that the full balance may not be collected even though a portion of the balance may be in the current aging category.

The expected loss provision considers the forward-looking view for GDP growth and inflation outlook. GDP growth is expected to remain less than 2% in 2024 and inflation to increase slightly.

The provision percentage decreased from the prior year due to a portion of the debtor's balances in the >540 days bucket being sold during the year as well as the ageing of outstanding accounts for enrolled learners demonstrating consistent improvement throughout 2023, attributed to Curro's proactive stance on addressing non-paying accounts. This was achieved through a combination of increased termination frequency and enhanced collection practices.

The lifetime expected loss provision for the group and company trade receivables is as follows:²

	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Group - 2023						
Expected loss rate	4.1%	11.7%	33.6%	60.6%	89.6%	31.7%
Gross carrying amount	122	77	125	66	48	438
Loss provision	5	9	42	40	43	139

	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Group - 2022						
Expected loss rate	7.5%	16.4%	40.4%	61.3%	91.7%	49.3%
Gross carrying amount	107	61	104	62	157	491
Loss provision	8	10	42	38	144	242

	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Company - 2023						
Expected loss rate	4.8%	12.1%	34.0%	60.7%	78.8%	29.8%
Gross carrying amount	104	66	103	56	33	362
Loss provision	5	8	35	34	26	108

	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Company - 2022						
Expected loss rate	7.5%	15.7%	38.8%	60.4%	91.9%	47.7%
Gross carrying amount	93	51	85	53	123	405
Loss provision	7	8	33	32	113	193

2. Aging for expected credit loss calculation per customer balance.

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13. Trade and other receivables (continued)

Movement in the loss allowance for trade receivables is as follow:

	Total provision R million
Group	
Opening loss allowance as at 1 January 2022	246
Increase in loss allowance recognised in profit and loss during the year	147
Receivables written off during the year as uncollectable	(151)
Opening loss allowance as at 1 January 2023	242
Increase in loss allowance recognised in profit and loss during the year	138
Receivables deemed uncollectable sold during the year	(241)
Closing loss allowance as at 31 December 2023	139
	Total provision R million
Company	
Opening loss allowance as at 1 January 2022	202
Increase in loss allowance recognised in profit and loss during the year	119
Receivables written off during the year as uncollectable	(128)
Opening loss allowance as at 1 January 2023	193
Increase in loss allowance recognised in profit and loss during the year	120
Receivables deemed uncollectable sold during the year	(205)
Closing loss allowance as at 31 December 2023	108

Based on historic information, collections deteriorate where the period of indebtedness lengthens and the debtor is no longer an active client of the business at which point there is a significant increase in risk.

The risk that it will become unlikely for the group and the company to receive the benefit of the prepayments, deposits and other receivables is unlikely and impairment loss is therefore insignificant.

Trade receivables impaired

Group

As of 31 December 2023, trade and other receivables of R139 million (2022: R242 million) had recognised expected credit losses.

Company

As of 31 December 2023, trade and other receivables of R108 million (2022: R193 million) had recognised expected credit losses.

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14. Cash

14.1 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Cash and cash equivalents consist of:				
Bank balances	64	63	43	50

At year-end, the group's cash was invested at financial institutions with a Moody's credit rating of Ba1 (2022: Ba1).

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. Curro considered the expected credit losses on its investments in cash and cash equivalents and concluded that those losses would be negligible.

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2023 amounted to R7 million (2022: R5 million).

14.2 Investment in money market

Investments in money market funds relate to investments in shares of liquidity funds. The shares in these funds are callable on a daily basis.

Money market fund investments are held in the following currencies:

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
SA Rand	17	57	17	54

Local money market funds relate to investments in South African unit trusts offered by Nedgroup Collective Investments, PSG Asset Management and ABSA Asset Management mandated to invest only in money market instruments of major South African banks. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the maturity period of individual instruments held by the funds are in excess of 3 months. These instruments are categorised as "financial assets at fair value through profit and loss".

Total of cash and investment in money market	82	119	59	103
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14.3 Facilities

The value of facilities available to the group includes Standard Bank and RMB Revolving Credit Facilities of R800 million as well as a R50 million facility in Campus and Property Management Company (Pty) Ltd.

Undrawn Facilities:

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Amount of undrawn facilities available as at 31 December	376	468	361	418

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15. Share Capital

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Issued				
Ordinary shares with no par value	5 988	6 108	6 254	6 356
Authorised				
Ordinary number of shares with no par value ('million)	800	800	800	800
Reconciliation of number of shares issued:				
Reported as at 1 January ('million)	588	598	598	598
Shares repurchased ('million)	(11)	-	(11)	-
Shares held by share incentive trust ('million)	(2)	(10)	-	-
Total number of shares in issue ('million)	575	588	587	598

There were no changes to authorised ordinary share capital in the period under review.

During the year, the company acquired and cancelled a total of 11 437 816 million shares for R101.6 million aggregate according to a repurchase program.

The Curro Holdings Limited Executive Long Term Incentive Trust acquired a further 2 880 448 shares in the market and holds such shares for the express purpose of satisfying its potential vesting commitments in terms of the Curro Holdings Limited Executive Long Term Incentive program. There were also 674 831 shares that vested during the year.

Unissued ordinary shares of 29 422 230 are under the control of the directors in terms of a shareholders resolution passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

16. Share based payments

16.1 Details of the employee option plans of the company

Curro first established a share incentive plan for certain key members of management in 2011. Subsequently, it adopted a new long term incentive scheme. For ease of reference, the previous scheme shall be referred to as the *Old LTI scheme* and the newly implemented incentive scheme will be referred to as the *New LTI scheme*.

All management who qualified to partake in the New LTI scheme have waived their rights in terms of the Old LTI scheme. However, there were employees who have not been eligible to receive options under the New LTI scheme and they will continue to hold options in terms of the Old LTI scheme and same would remain in place until the Old LTI scheme comes to an end in September 2024, whereafter the Old LTI scheme will be terminated.

The Old LTI Scheme

Each employee's share option converts into one ordinary share of the company upon exercise and payment of the exercise price. No amounts are paid or payable by the recipient on receipt of the option. The exercise price is determined by the 30 day volume weighted average share price preceding the option issue date.

The trustees can elect to net settle the options at the trustees' sole discretion. The options carry neither rights to dividends nor voting rights. The options only vest if the recipient is still in employment on the vesting date. Options may be exercised at any time from the date of vesting to the date of its expiry, which is a 30-day period.

Options awarded vest over a five-year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

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16. Share based payments (continued)

16.1 Details of the employee option plans of the company (continued)

The New LTI Scheme

The New LTI scheme consist of nil-paid options, which means that there is no strike price upon exercise of the option. No amounts are paid or payable by the recipient on receipt of the option.

The trustees can elect to net settle the options at the trustees' sole discretion. The options carry neither rights to dividends nor voting rights. The options only vest if the recipient is still in employment on the vesting date. Options may be exercised at any time from the date of vesting to the date of its expiry, which is a 6-month period.

Options awarded are subject to performance conditions and vest over a five-year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

As a further qualifying vesting condition, participants have to retain a minimum number of shares over the vesting periods.

16.2 Share option expense for the year

A total expense of R32.2 million (2022: R32.0 million) relating to equity-settled share-based payment transactions were recognised in other expenses within profit or loss during the year.

16.3 Assumptions used in fair value

Awards were only made under the New LTI Scheme during the year.

The Black-Scholes Model is used to calculate the estimated theoretical fair value of options awarded. The volatility is derived from the movement in the volume weighted average share price for a period of 365 calendar days prior to the share options award date.

The company used the following assumptions in determining the fair value of options awarded in the current period:

	2023	2022
Strike price (Rand)	NIL	NIL
Current share price (Rand)	11.65	10.65
Fair value (Rand)	7.05	11.18
Volatility (%)	38.60	30.70
Risk free rate (%)	7.39	4.50
Dividend yield (%)	1.74	-

16.4 Movements in share options during the year

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

	2023		2022	
	Number of options	Weighted average exercise price (Rand)	Number of options	Weighted average exercise price (Rand)
<i>The Old LTI Scheme:</i>				
Outstanding at the beginning of the year	2 597 625	21.20	4 863 100	23.14
Vested during the year	(1 374 325)	22.32	(1 808 050)	25.05
Forfeited during the year	(178 125)	20.77	(457 425)	23.03
Outstanding at the end of the year	1 045 175	19.81	2 597 625	21.20

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16.4 Movements in share options during the year (continued)

	2023		2022	
	Number of options	Weighted average exercise price (Rand)	Number of options	Weighted average exercise price (Rand)
<i>The New LTI Scheme:</i>				
Outstanding at the beginning of the year	8 301 801	Nil	4 733 978	Nil
Awarded during the year	4 604 304	Nil	4 783 692	Nil
Exercised during the year	(1 183 488)	Nil	-	-
Forfeited during the year	(1 099 162)	Nil	(1 215 869)	Nil
Outstanding at the end of the year	10 623 455	Nil	8 301 801	Nil
Total	11 668 630		10 899 426	

Details of share options granted to and exercised by directors:

Director	Opening balance of share options awarded at 1 January 2023	Number of options awarded/ (forfeited) during the year	Number of share options vested during the year	Exercise price per share option (Rand)	Share options award date	Closing balance of share options as at 31 December 2023
JP Loubser	747 470	-	(186 867)	NIL	2021/07/01	560 603
	717 554	-	-	NIL	2022/03/25	717 554
		920 861		NIL	2023/03/24	920 861
	1 465 024	920 861	(186 867)			2 199 018
M Lategan	398 651	-	(99 662)	NIL	2021/07/01	298 989
	382 695	-	-	NIL	2022/03/25	382 695
		736 689		NIL	2023/03/24	736 689
	781 346	736 689	(99 662)			1 418 373
BC September	149 494	-	(37 373)	NIL	2021/07/01	112 121
	143 511	-	-	NIL	2022/03/25	143 511
		414 387		NIL	2023/03/24	414 387
	293 005	414 387	(37 373)			670 019
	2 539 375	2 071 937	(323 902)			4 287 410

Vesting year	Number of options outstanding	Weighted average strike price (Rand)
31 March 2024	2 287 232	
31 March 2025	2 837 125	-
31 March 2026	2 602 423	-
31 March 2027	1 854 952	-
31 March 2028	1 041 723	-
	<u>10 623 455</u>	<u>-</u>

2024 is the last year for a vesting of the Old LTI scheme.

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17. Reserves

17.1 Share based payments reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised over the vesting period
- the grant date fair value of shares issued to employees
- the grant date fair value of deferred shares granted to employees but not yet vested
- the issue of shares held by the Curro Holdings Limited Share Incentive Trust and the Curro Holdings Limited Executive Long-term Incentive Trust to employees

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Balance as at the beginning of the year	46	30	46	30
Recognition of share-based payment expense	22	32	22	32
Vesting of share options	(24)	(16)	(24)	(16)
Balance at the end of the year	44	46	44	46

17.2 Hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy. The effective portion of the hedge instrument is recognised in other comprehensive income.

Balance as at the beginning of the year	2	(35)	2	(35)
Recognition of fair value movement	-	52	-	52
Taxation	-	(15)	-	(15)
Balance at the end of the year	2	2	2	2

17.3 Translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Balance as at the beginning of the year	(1)	1	-	-
Exchange differences on translating foreign operations	2	(2)	-	-
Balance at the end of the year	1	(1)	-	-
Total reserves	47	47	46	48

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18. Other financial liabilities

	Group 2023 R million	2022 R million	Company 2023 R million	2022 R million
Held at amortised cost				
ABSA Bank Ltd - Instalment sale agreements	17	12	17	12
The secured loans bear interest at various prime linked rates payable in monthly instalments ranging from R2,515 to R29,260. Secured by fixed assets as disclosed in note 4.				
ABSA Bank Ltd - 4 year bullet loan	251	251	251	251
The secured loan bears interest at a three-month JIBAR plus 1.6%, payable in December 2026.				
Development bonds	1	1	1	1
Development bonds bear interest and are refunded when the learner leaves the school, or after three years have elapsed since its payment, whichever is the later date.				
Investec Bank of South Africa - Draw down facility	251	251	251	251
The secured loan bears interest at three-month JIBAR plus 1.65%, payable in December 2027.				
Old Mutual Assurance Group South Africa (Pty) Ltd - Liquidity Facility	1	-	-	-
The loan bore interest at 3-month JIBAR plus 8% per annum. The loan has no fixed term of repayment.				
Old Mutual Assurance Group South Africa (Pty) Ltd	19	24	-	-
The loan bears interest at 3-month JIBAR plus 4% per annum. The loan has a 15 year repayment period repayable in 36 equal quarterly instalments that commenced on 1 April 2019. Refer to restrictive funding arrangement disclosure below.				
Old Mutual Assurance Group South Africa (Pty) Ltd - Junior	76	66	-	-
The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer to restrictive funding arrangement disclosure below.				
Schools and Education Investment Impact Fund of South Africa (SEIFSA) - Liquidity Facility	2	-	-	-
The loan bore interest at 3-month JIBAR plus 8% per annum. The loan has no fixed term of repayment.				
Schools and Education Investment Impact Fund of South Africa (SEIFSA)	123	146	-	-
The loan bears interest at 3-month JIBAR plus 4% per annum. The loan has a 15 year repayment period repayable in 36 equal quarterly instalments commencing on 1 April 2019. Refer restrictive funding arrangement disclosure below.				
Schools and Education Investment Impact Fund of South Africa (SEIFSA) - Junior	128	112	-	-
The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer restrictive funding arrangement disclosure below.				

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18. Other financial liabilities (continued)

	Group 2023 R million	2022 R million	Company 2023 R million	2022 R million
Held at amortised cost (continued)				
RMB Bullet Facility - 4 year bullet loan	201	201	201	201
The secured loan bears interest at three-month JIBAR plus 1.58% payable in December 2026.				
RMB Bullet Facility - 5 year bullet loan	201	201	201	201
The secured loan bears interest at three-month JIBAR plus 1.67% payable in December 2027.				
Standard Bank of South Africa Ltd - Instalment Sale	3	-	3	-
The secured loans bear interest at various prime linked rates, payable in monthly instalments ranging from R3,488 to R30,512. Secured by fixed assets as disclosed in note 4.				
Standard Bank of South Africa Ltd - RCF Facility	439	382	439	382
The secured loan bears interest at three-month JIBAR plus 1.44%, payable in December 2025.				
Standard Bank of South Africa Ltd - 4 year bullet loan	553	553	553	553
The secured loan bears interest at three-month JIBAR plus 1.51%, was payable in December 2026.				
Standard Bank of South Africa Ltd - 5 year bullet loan	603	603	603	603
The secured loan bears interest at three-month JIBAR plus 1.58%, payable in December 2027.				
Sanlam	452	452	452	452
The secured loans bear interest at three-month JIBAR plus 1.57% payable in December 2026 (R200 million) and three-month JIBAR plus 1.62% payable in December 2027 (R250 million).				
Transaction cost incurred	(4)	(8)	(4)	(8)
Total at amortised cost	3 317	3 247	2 968	2 898
Total other financial liabilities	3 317	3 247	2 968	2 898
Non-current liabilities				
At amortised cost	3 276	3 211	2 957	2 888
	3 276	3 211	2 957	2 888
Current liabilities				
At amortised cost	41	36	11	10
	41	36	11	10
	3 317	3 247	2 968	2 898

The net carrying values of other financial liabilities are considered to be a close approximation of their fair values.

Restrictive funding arrangements

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of the funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2023 amounted to R7 million.

Securities

The securities for banking facilities and long-term funding are as follows:

- Majority of land and buildings are pledged as security. The full list of properties pledged as security is available for inspection at the registered office of the company;
- The Schools and Education Investment Impact Fund of South Africa and Old Mutual Assurance Group South Africa (Pty) Ltd.

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18. Other financial liabilities (continued)

As part of the conditions of the facilities agreement, Campus and Property Management Company (Pty) Ltd has ceded and pledged to the Meridian Security SPV (Pty) Ltd as security for the company's obligations under the company indemnity, the company's right, title and interest in and to:

- All amounts of any nature now or from time to time owing to the company by any person whosoever including, but without limitation, any amounts owing to the company by any bank with whom the company maintains any bank account (including, without limitation, the advances account and the collections account), and any parent in terms of any learner admission contract, and Meridian Operations Company (RF) NPC under the working capital facility agreement, and by any approved insurer with whom the company maintains any required insurance;
- Each transaction document to which it is a party;
- The working capital facility agreement and the working capital security; and
- Any property lease agreement held by it in respect of any school property or any boarding house property, provided that such property lease agreement is capable of being ceded, and if the consent of the landlord under a property lease agreement is required for its cession, the company will use commercially reasonable endeavours to obtain that consent.

As part of the conditions, the company registered a general notarial bond over all its movable assets (including, but without limitation, the required equipment in respect of each school) and each boarding house.

If the company acquires ownership of any school property or any boarding house property, the company will, against registration of transfer of ownership of that property into its name in the office of the applicable registry, register a first mortgage bond over that property in favour of the Meridian Security SPV (Pty) Ltd as security for the company's obligations arising under the company indemnity.

19. Derivative financial instruments and hedging information

The following information relates to derivative financial instruments included in other financial assets and liabilities:

	2023		2022	
	Assets R million	Liabilities R million	Assets R million	Liabilities R million
Group and company				
Interest rate swaps - cash flow hedges	4	-	4	-
Disclosed as follows:				
Non-current portion	-	-	3	-
Current portion	4	-	1	-
	4	-	4	-

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months from the reporting date.

No ineffective portion of the cash flow hedges was recognised during the year (2022: Rnil).

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2023 were R662.5 million (2022: R962.5 million). The total value of the loans are R3.0 billion (2022: R2.9 billion). Refer to note 18 for the interest-bearing loans. The maturity dates for the interest rate swaps are 22 March 2024 (R150 million) and 14 August 2024 (R512.5 million) respectively. The hedge ratio for the current year is 0.22:1 (2022: 0.33:1).

At 31 December 2023, the fixed interest rates vary from 7.32% to 7.33% (2022: 7.28% to 7.33%), and the main floating rates are JIBAR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2023 will be continuously released to the statement of comprehensive income until the repayment of the borrowings.

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20. Contract liability

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
20.1 Registration fees				
Opening balance	61	54	59	52
Revenue recognised that was included in the contract liability balance at the beginning of the period	(39)	(38)	(37)	(38)
Increases due to cash received, excluding amounts recognised as revenue during the period	39	47	38	46
Closing balance	61	61	60	59

Registration fees carry a separate stand-alone transaction price which is recognised over time as the services are rendered, based on management's estimate of the average tenure of learners. Currently the average tenure of learners is deemed to be three years and therefore the registration fees are recognised evenly over three years. The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to registration fees, is represented by the contract liability year end balance.

In 2024, R35 million and R34 million of the balance for group and company respectively is expected to be recognised as revenue, while in 2025, R20 million for group and company respectively is expected to be recognised as revenue. In 2026, R6 million is expected to be recognised as revenue for group and company.

20.2 Income received in advance

Opening balance	294	233	260	201
Revenue recognised in Statement of Comprehensive Income	(294)	(233)	(260)	(201)
School and other fees received in advance	328	294	287	260
Closing balance	328	294	287	260

Income received in advance carry a separate stand-alone transaction price which is recognised over time as the services are rendered. The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to income received in advance is represented by the contract liability balance at year end, which will be recognised as revenue in the following financial year. Income received in advance is repayable to parents if the learner was to leave the school.

Total	389	355	347	319
Current liability	359	327	317	291
Non current liability	30	28	30	28

The net carrying values of contract liabilities are considered to be a close approximation of their fair values.

21. Provisions

	Group		Company	
	2023	2022	2023	2022
	R million	Restated ¹ R million	R million	Restated ¹ R million
Opening balance	36	29	35	22
Additional provisions charged during the year	54	97	54	97
Amounts used during the year	(35)	(54)	(35)	(48)
Unused amounts reversed during the year	(15)	(36)	(14)	(36)
Closing balance	40	36	40	35

1. The financial statements have been restated by separately presenting Provisions on the face of the statements of financial position as required by IFRS. The relating note has accordingly also been included (refer to note 43).

The provisions relates to potential future expenses for facility expenses which has uncertain timing around its payments.

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22. Trade and other payables

22.1 Trade and other payables

	Group		Company	
	2023	2022 Restated ¹	2023	2022 Restated ¹
	R million	R million	R million	R million
Financial instruments:				
Trade payables	137	115	126	111
Accrued expense	85	83	73	64
Entrance deposits and other payables	23	27	23	26
	245	225	222	201
Non-financial instruments:				
Value added taxation	1	-	-	-
Total trade and other payables	246	225	222	201

22.2 Development and acquisition payables

Development and acquisition payables ²	29	13	29	13
Current	19	13	19	13
Non-current	10	-	10	-

1. The prior year figures has been restated to separately disclose the provisions on the face of the statement of financial position. Refer to note 43.

2. We have represented the disclosures of our financial statements to correct an error by separately presenting Development and acquisition payables on the face of the statement of financial position; however, we have not restated prior year figures as this change does not impact the comparatives. We believe this fairly represents the nature of the payable due to the level of capital expenditure of the group.

Credit periods vary, but ordinarily the group and the company do not make use of trade credit facilities. Unpaid amounts are accrued for until settled. The carrying values of trade and other payables approximate their fair values due to the close proximity between when these balances are initially recognised to when they are paid. The group and the company have credit risk policies in place to ensure that all payables are paid within the agreed terms.

Included in development and acquisition payables is outstanding consideration for additional contingent consideration of R10 million respectively for two Curro schools, when the schools reach their learner targets. The remaining amount is made up of outstanding amounts payable to construction creditors.

23. Revenue from contracts with customers

Registration and tuition fees	4 604	4 113	4 070	3 619
Hostel fees	76	70	31	25
Aftercare fees	77	63	69	56
Bus income	59	48	58	47
Recovery income	77	57	70	52
Rental income ³	-	12	-	11
Subsidy income ³	-	6	-	-
Other income	147	106	137	102
Discounts granted ⁴	(321)	(319)	(295)	(294)
Personnel	(101)	(96)	(88)	(84)
Bursaries	(83)	(85)	(77)	(79)
Other discounts	(137)	(138)	(130)	(131)
	4 719	4 156	4 140	3 618

Time of revenue recognition

Over time	4 661	4 112	4 089	3 579
At a point in time	58	44	51	39
	4 719	4 156	4 140	3 618

3. Refer to note 2.

4. Discounts are granted on registration and tuition fees.

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23. Revenue from contracts with customers (continued)

The group and company's principal activities to generate their revenue are to provide independent education and ancillary services. Refer to note 2 for segmental information that also discloses the revenue disaggregation.

These ancillary services and products are sold at stand-alone selling prices which do not require allocation to separate performance obligations. There is no significant financing component within the payment terms of school fees and other fees. School fees and other fees for services already delivered are non-refundable and hence no obligation to provide for refunds exists.

Revenue generated from registration and tuition fees, hostel fees, aftercare fees and bus income are recognised over time. Textbook, uniform, stationery and tuckshop revenue, which are included in recovery income and other income, are recognised at a point in time as the performance obligation is satisfied.

Other discounts mainly comprise of enrolment discounts, discretionary discounts, financial assistance and Ruta Sechaba Bursaries.

24. Other income

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Insurance claims	17	-	17	-
Rental income	16	-	15	-
SDL recovery	7	-	7	-
Other	5	-	-	-
	45	-	39	-

Note: Refer to note 2.

25. Earnings before interest and taxation

Earnings before interest and taxation for the year is stated after accounting for the following:

	Group		Company	
	2023 R million	2022 Restated ¹ R million	2023 R million	2022 Restated ¹ R million
Facility costs	400	357	363	322
Cost of ancillary services	285	208	229	163
Recovered expenses	147	88	133	81
Sport and culture expenses	45	34	39	30
Other ²	93	86	57	52
Marketing	51	43	49	41
Repairs and maintenance	67	56	60	49
Bad debt and collection costs	27	24	26	23
Auditors remuneration ³	3	3	3	3
Operating costs	410	338	366	301
Curriculum expenses	96	69	87	62
System and communication costs	94	67	82	57
Other ⁴	220	202	197	182
	1 243	1 029	1 096	902

1. Cost of ancillary services and operating costs were disaggregated to separately present additional line items further reflecting the nature of these costs.

The comparative figures were represented accordingly.

2. Other cost of ancillary services comprise mainly of hostel and aftercare costs.

3. Fees for other services are less than R0.1 million, and one subsidiary is audited by a different firm than PwC, incurring audit fees of R0.1 million.

4. Other operating costs mainly comprise of security, consulting, travel, printing and stationery and vehicle expenses.

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26. Finance income

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Interest received				
Bank and Money Market	10	9	8	7
Interest charged on trade and other receivables	44	41	36	33
Related parties	35 -	-	55	51
	54	50	99	91
	54	50	99	91

Reconciliation between amounts in statement of comprehensive income and cash flows

Statement of comprehensive income amount	54	50	99	91
Interest accrued on other financial assets	(2)	(1)	-	-
Interest accrued on related party loans	-	-	(50)	(45)
Statement of cash flows amount	52	49	49	46

27. Finance cost

Borrowings	305	240	261	202
Bank	2	2	2	1
Lease liabilities	51	45	51	45
Trade and other payables	-	1	-	1
Less: Interest capitalised	(30)	(30)	(30)	(30)
	328	258	284	219

Reconciliation between amounts in statement of comprehensive income and cash flows

Statement of comprehensive income amount	328	258	284	219
Interest accrued (Note 34)	(54)	(57)	(23)	(31)
Statement of cash flows amount	274	201	261	188

The capitalisation rate used for the group and the company during the period was 9.41% (2022: 6.56%) on general borrowings for capital projects.

Finance costs relate to financial liabilities that are not designated as at fair value through profit or loss. Finance costs included in the statements of cash flows represent net finance costs incurred for the year and exclude interest capitalised to property, plant and equipment.

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28. Taxation

Major components of tax expenses

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Current taxation				
Local income tax - current period	91	33	86	32
Deferred taxation				
Temporary differences - current period	(27)	23	(47)	6
Arising from prior period adjustments	2	(2)	-	(2)
	(25)	21	(47)	4
	66	54	39	36
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and effective tax rate				
	%	%	%	%
Applicable tax rate	27.0	28.0	27.0	28.0
Non-deductible expenditure - Impairment losses	34.7	0.1	65.4	1.0
Non-deductible expenditure - Share-based payment	0.9	0.7	1.8	0.8
Non-deductible expenditure - Notional finance charge	6.9	2.1	-	-
Non-deductible expenditure - Other	2.5	-	6.1	-
Non-taxable income - Tax exempt subsidiaries	(6.6)	(3.3)	-	-
Non-taxable income - Notional finance income	-	-	(24.2)	(4.9)
Loss / (profit) on exchange differences	-	-	(1.0)	0.2
Deferred tax recognised through unbundlings/acquisitions	-	0.5	-	0.6
Prior year tax adjustments	1.9	(0.8)	-	(1.0)
Tax rate change	-	(8.1)	-	(9.5)
Lower foreign tax rate	(0.7)	(0.3)	-	-
Other	0.7	(0.2)	(0.1)	0.2
Effective tax rate	67.3	18.7	75.0	15.4

Group

The estimated tax loss available for set off against taxable income is R43.92 million (2022: R83.91 million).

Company

The company has utilised the tax loss and there are no tax loss available for set off against future taxable income.

29. Other comprehensive income

Components of other comprehensive income

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operation	2	(1)	-	-
Effects of cash flow hedges				
Gross	-	52	-	52
Tax	-	(15)	-	(15)
	2	36	-	37

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30. Earnings, headline earnings and recurring headline earnings per share

	Group	
	2023	2022
	R million	R million
Weighted average number of ordinary shares ('million)	582	594
Weighted average number of diluted ordinary shares ('million)	582	598

30.1 Earnings per share

Profit for the year attributable to owners of the parent	41	239
Basic earnings per share (cents)	7.0	40.1
Diluted earnings per share (cents)	7.0	39.9

30.2 Headline earnings per share

Reconciliation of headline earnings:

Profit for the year attributable to owners of the parent	41	239
Adjusted for:		
Loss on disposal of property, plant and equipment	7	(1)
Gross amount	10	(1)
Tax effect	(3)	-
Loss on impairment	378	127
Gross amount	465	174
Non-controlling interest	4	-
Tax effect	(91)	(47)
Headline earnings	426	365
Basic headline earnings per share (cents)	73.2	61.4
Diluted headline earnings per share (cents)	73.2	61.0

30.3 Recurring headline earnings per share

Reconciliation of recurring headline earnings:

Headline earnings	426	365
Adjusted for:		
Change in tax rate	-	(23)
Other once-off income ¹	-	(12)
Gross amount	-	(25)
Non-controlling interest	-	6
Tax effect	-	7
Recurring headline earnings	426	330
Recurring headline earnings per share (cents)	73.2	55.4

1. Other once-off income relates to a subsidy received from the provincial government.

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31. Cash generated from operations

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Profit before taxation	98	289	52	234
Adjustments for:				
Depreciation and amortisation	308	281	289	263
Net profit on disposal of property, plant and equipment	10	(1)	10	(1)
Interest received	(54)	(50)	(99)	(91)
Finance costs	328	258	284	219
Impairment of investments	-	-	-	-
Impairments	465	174	480	174
Share based payment expense	32	32	32	32
Expected credit losses on loans	3	-	(2)	7
Loss on capital contribution	5	-	5	-
Profit / (loss) on exchange differences	-	1	(2)	1
Other non-cash expenses	3	-	2	-
Changes in working capital:				
(Increase) / decrease in inventories	(3)	5	(2)	5
Increase in trade and other receivables	(72)	(14)	(54)	(20)
Increase / (decrease) in trade and other payables	26	(36)	27	(29)
Increase in contract liabilities	30	47	24	46
	1 179	986	1 046	840

Non-cash investing and financing activities disclosed in other notes are:

- Purchase of property, plant and equipment - *Note 4*;
- Movements in other financial liabilities - *Note 34*;
- Principal elements of lease payments - *Note 34*;
- Interest received - *Note 26*;
- Interest paid - *Note 27*.

32. Taxation paid

	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Balance at the beginning of the year	-	(1)	(2)	1
Current tax for the year recognised in profit or loss	(91)	(33)	(86)	(32)
Balance at the end of the year	9	-	10	2
	(82)	(34)	(78)	(29)

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33. Business combinations

33.1 Business combinations in the year

Group and company

The following assets and liabilities were recognised:

	Courtney House R million
Right-of-use asset	32
Intangible assets	3
Trade and other receivables	1
Cash and cash equivalents	2
Deferred tax liability	(1)
Contract liability	(5)
Lease liability	(32)
Total identifiable net assets	-
Goodwill	28
Purchase consideration paid in cash	28
Net cash outflow on acquisition	
Cash paid	(28)
Cash and cash equivalents acquired	2
	(26)

Amounts are determined based on their acquisition date fair values. Acquired net receivables are expected to be collected in full. Goodwill from the business combination above is not deductible for income tax purposes. There is no contingent consideration applicable in the business combination.

Courtney House Learning Centre

Effective 1 January 2023, the group acquired the entire business operations and properties of Courtney House Learning Centre for a purchase consideration of R28 million in order to continue the expansion of the group. Courtney House Learning Centre is principally involved in the independent school industry in Pretoria, Gauteng.

Goodwill of R28 million arising from the acquisition consists largely of, inter alia, the workforce, Cambridge knowledge, expected synergies, economies of scale and the school growth potential.

Since acquisition date the revenue and profit after tax recognised from this acquisition amounted to R39.2 million and R11.5 million respectively.

33.2 Business combinations after year-end

There are no new business acquisitions effective after year-end.

33.3 Business combinations in the prior year

During 2022 the group acquired HeronBridge College. Goodwill of R44 million arising from the acquisition was recognised as part of the acquisition.

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34. Reconciliation of liabilities arising from financing activities

	Other financial liabilities R million	Lease liabilities R million	Total R million
Group			
Balance as at 31 December 2021	2 792	364	3 156
New loans	3 220	-	3 220
Repayments	(2 810)	(10)	(2 820)
Non cash movements:			
New lease liabilities recognised	-	2	2
Lease liability remeasurements	-	5	5
New instalment sale agreements	6	-	6
Interest accrued	38	19	57
Other	1	-	1
Balance as at 31 December 2022	3 247	380	3 627
New loans	1 090	-	1 090
Repayments	(1 081)	(14)	(1 095)
Non cash movements:			
New lease liabilities recognised	-	31	31
Lease liability remeasurements	-	6	6
New instalment sale agreements	24	-	24
Interest accrued	34	20	54
Other	3	-	3
Balance as at 31 December 2023	3 317	423	3 740

	Other financial liabilities R million	Lease liabilities R million	Total R million
Company			
Balance as at 31 December 2021	2 420	363	2 783
New loans	3 220	-	3 220
Repayments	(2 759)	(10)	(2 769)
Non cash movements:			
New lease liabilities recognised	-	2	2
Lease liability remeasurements	-	5	5
New instalment sale agreements	6	-	6
Interest accrued	12	19	31
Other	1	-	1
Balance as at 31 December 2022	2 900	379	3 279
New loans	1 090	-	1 090
Repayments	(1 051)	(14)	(1 065)
Non cash movements:			
New lease liabilities recognised	-	31	31
Lease liability remeasurements	-	6	6
New instalment sale agreements	24	-	24
Interest accrued	3	20	23
Other	2	-	2
Balance as at 31 December 2023	2 968	422	3 390

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35. Related parties

Relationships

Subsidiaries

Refer note 8

	Group	2022	Company	2022
	2023	R million	2023	R million
	R million		R million	
Related party balances				
Loan accounts - owing by / (to) related parties				
Campus and Property Management Company (Pty) Ltd	-	-	388	341
Curro Holdings Limited Executive Long-term trust	-	-	115	97
Curro Funding Company (Pty) Ltd	-	-	47	53
Curro Education Botswana (Pty) Ltd	-	-	62	64
Amounts included in trade and other receivables regarding related parties				
Campus and Property Management Company (Pty) Ltd	-	-	11	6
Curro Education Botswana (Pty) Ltd	-	-	-	3
Meridian Operations Company (RF) NPC	-	-	1	1
Amounts included in trade and other payables regarding related parties				
Meridian Operations Company (RF) NPC	-	-	(1)	-
The Ruta Sechaba Foundation	-	-	(1)	-
Related party transactions				
Interest (received) / paid from related parties				
Campus and Property Management Company (Pty) Ltd	-	-	(47)	(41)
Curro Funding Company (Pty) Ltd	-	-	(3)	(6)
Curro Education Botswana (Pty) Ltd	-	-	(4)	(4)
Management fees received from related parties				
Campus and Property Management Company (Pty) Ltd	-	-	(8)	(9)
Meridian Operations Company (RF) NPC	-	-	(2)	(2)
Compensation to directors				
Short-term employee benefits (refer note 37)	13	12	13	12

The loans to group companies generally have no fixed terms of repayment and bears interest at variable market related interest rates except for the long term loan with Campus and Property Management Company (Pty) Ltd which bears interest at 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer to note 9.

Other amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior year for expected credit losses in respect of the amounts owed by related parties.

Management fees from related parties are calculated quarterly and are calculated as 2.65% of the net cash collections for each quarter.

Other related party transactions were on terms equivalent to those that prevail in arm's length transactions.

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36. Commitments and guarantees

Authorised future capital commitments

	Group		Company	
	2023	2022	2023	2022
	R million	R million	R million	R million
Authorised and contracted	65	86	53	79
Authorised, but not yet contracted	635	714	544	637
	700	800	597	716

The authorised future capital commitments relate mainly to property, plant and equipment. Any capital expenditure will be financed through internal cash generation and borrowing facilities where necessary.

Guarantees

Guarantees were provided in favour of the City of Tshwane and the Ethekwini Municipality of R1.4 million and R2.4 million respectively relating to construction of infrastructure at Curro Monaghan and Curro Hillcrest.

37. Directors' and prescribed officers' emoluments

37.1 Executive

	Basic salary	Expense allowances	Pension contributions paid	Bonuses	Gains on exercise of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2023						
JP Loubser	3 940	59	88	2 769	1 512	8 368
M Lategan ¹	2 801	16	63	961	806	4 647
BC September ¹	1 960	-	44	400	302	2 706
	8 701	75	195	4 130	2 620	15 721

	Basic salary	Expense allowances	Pension contributions paid	Bonuses	Gains on exercise of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2022						
AJF Greyling ²	3 524	124	103	1 721	-	5 472
JP Loubser	3 298	105	97	2 640	-	6 140
	6 822	229	200	4 361	-	11 612

1. Appointed as director effective 1 January 2023.

2. Resigned as director effective 1 January 2023.

37.2 Non-executive

	Directors' fees	Directors' fees
	2023	2022
	R'000	R'000
SL Botha	768	700
ZN Mankai	493	447
PJ Mouton	398	365
SWF Muthwa	421	386
DM Ramaphosa	463	422
CR van der Merwe	308	280
TP Baloyi	519	476
	3 370	3 076

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37. Directors' and prescribed officers' emoluments

37.3 Shareholding of directors

The shareholding of directors, excluding the participation in the share incentive plans (as set out in note 16), in the issued share capital of the company as at 31 December was as follows:

Directors	2023				2022			
	Direct	Indirect	Number	%	Direct	Indirect	Number	%
SL Botha	414 189	-	414 189	0.07%	414 189	-	414 189	0.07%
PJ Mouton ¹	594 529	92 944 435	93 538 964	15.90%	594 529	90 472 057	91 066 586	15.23%
CR van der Merwe	-	3 011 677	3 011 677	0.51%	-	3 011 677	3 011 677	0.50%
JP Loubser	102 777	2 000 000	2 102 777	0.36%	-	2 000 000	2 000 000	0.33%
M Lategan ²	54 814	-	54 814	0.01%				
BC September ²	20 555	-	20 555	0.00%				
TP Baloyi	12 227	-	12 227	0.00%	2 227	-	2 227	0.00%
	1 199 091	97 956 112	99 155 203	16.85%	1 010 945	95 483 734	96 494 679	16.14%

1. PJ Mouton is a trustee and beneficiary of the JF Mouton Familie Trust. The Trust owns 82 762 269 Curro shares via their shareholding in Jan Mouton Beleggings (Pty) Ltd, JFM Investments (Pty) Ltd, My Favourite Beleggings (Pty) Ltd and Piet Mouton Beleggings (Pty) Ltd.

2. M Lategan and BC September was appointed as directors effective 1 January 2023.

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in the shareholding of directors between the reporting date and the date of approval of the annual financial statements.

37.4 Directors shareholding subject to debt

The shareholding of directors served as security for personal debt not related to the group as at 31 December 2023 as detailed in the table below:

Directors	Type of debt facility	Redemption date	Amount	Amount	Number of shares pledged as security	Value of security R million
			of debt facility R million	owed against facility R million		
JP Loubser	Secured loan over shares	Sep 2027	20	21	2 000 000	18
			20	21		18

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38. Categories of financial instruments

	Notes	Financial assets at fair value through profit or loss R million	Financial assets at amortised cost R million	Financial liabilities at fair value through profit or loss R million	Financial liabilities at amortised cost R million	Total R million
Group - 2023						
Assets						
Non-current assets						
Other financial assets at amortised cost	10	-	25	-	-	25
Other financial assets at fair value	10	5	-	-	-	5
		5	25	-	-	30
Current assets						
Other financial assets at amortised cost	10	-	8	-	-	8
Other financial assets at fair value	10	4	-	-	-	4
Trade and other receivables	13	-	309	-	-	309
Cash and cash equivalents	14	-	64	-	-	64
Investment in money market funds	14	17	-	-	-	17
		21	381	-	-	402
Liabilities						
Non-current liabilities						
Financial liabilities at amortised cost	18	-	-	-	3 276	3 276
Development and acquisitions payable	22	-	-	-	10	10
		-	-	-	3 286	3 286
Current liabilities						
Financial liabilities at amortised cost	18	-	-	-	41	41
Trade and other payables	22	-	-	-	245	245
Development and acquisitions payable	22	-	-	-	19	19
		-	-	-	305	305
Group - 2022						
Assets						
Non-current assets						
Other financial assets at amortised cost	10	-	3	-	-	3
Other financial assets at fair value	10	8	-	-	-	8
		8	3	-	-	11
Current assets						
Other financial assets at amortised cost	10	-	30	-	-	30
Other financial assets at fair value	10	1	-	-	-	1
Trade and other receivables	13	-	263	-	-	263
Cash and cash equivalents	14	-	63	-	-	63
Investment in money market funds	14	57	-	-	-	57
		58	356	-	-	414
Liabilities						
Non-current liabilities						
Financial liabilities at amortised cost	18	-	-	-	3 211	3 211
		-	-	-	3 211	3 211
Current liabilities						
Financial liabilities at amortised cost	18	-	-	-	36	36
Trade and other payables ¹	22	-	-	-	238	238
		-	-	-	274	274

1. The prior year figures has been restated to separately disclose the provisions on the face of the statement of financial position.

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38. Categories of financial instruments (continued)

	Notes	Financial assets at fair value through profit or loss R million	Financial assets at amortised cost R million	Financial liabilities at fair value through profit or loss R million	Financial liabilities at amortised cost R million	Total R million
Company - 2023						
Assets						
Non-current assets						
Loans to group companies	9	-	571	-	-	571
Other financial assets at amortised cost	10	-	11	-	-	11
Other financial assets at fair value	10	5	-	-	-	5
		5	582	-	-	587
Current assets						
Loans to group companies	9	-	43	-	-	43
Other financial assets at amortised cost	10	-	7	-	-	7
Other financial assets at fair value	10	4	-	-	-	4
Trade and other receivables	13	-	270	-	-	270
Cash and cash equivalents	14	-	43	-	-	43
Investment in money market funds	14	17	-	-	-	17
		21	363	-	-	384
Liabilities						
Non-current liabilities						
Financial liabilities at amortised cost	18	-	-	-	2 957	2 957
Development and acquisition payable	22	-	-	-	10	10
		-	-	-	2 967	2 967
Current liabilities						
Financial liabilities at amortised cost	18	-	-	-	11	11
Trade and other payables	22	-	-	-	220	220
Development and acquisition payable	22	-	-	-	19	19
		-	-	-	250	250
Company - 2022						
Assets						
Non-current assets						
Loans to group companies	9	-	332	-	-	332
Other financial assets at amortised cost	10	-	3	-	-	3
Other financial assets at fair value	10	8	-	-	-	8
		8	335	-	-	343
Current assets						
Loans to group companies	9	-	224	-	-	224
Other financial assets at amortised cost	10	-	11	-	-	11
Other financial assets at fair value	10	1	-	-	-	1
Trade and other receivables	13	-	231	-	-	231
Cash and cash equivalents	14	-	50	-	-	50
Investment in money market funds	14	54	-	-	-	54
		55	516	-	-	571
Liabilities						
Non-current liabilities						
Financial liabilities at amortised cost	18	-	-	-	2 888	2 888
		-	-	-	2 888	2 888
Current liabilities						
Financial liabilities at amortised cost	18	-	-	-	10	10
Trade and other payables ¹	22	-	-	-	214	214
		-	-	-	224	224

1. The prior year figures has been restated to separately disclose the provisions on the face of the statement of financial position.

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39. Risk management

Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9, 18, cash and cash equivalents disclosed in note 14; and equity, as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may return capital to shareholders, decrease or increase borrowings or issue new shares or sell assets to reduce the proportion of debt.

There have been no significant changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Debt covenants

The debt covenant triggers applicable to the secured borrowings are as follows:

- Net debt to EBITDA ratio of not more than 4:1;
- Interest Cover Ratio of at least 2.5:1.

The group was able to comfortably meet all the covenant requirements and the directors are confident that the group has sufficient funding headroom available relative to its funding requirements. No potential breaches were noted during the current year.

The gearing ratio at 2023 and 2022 respectively was as follows and is well within the debt funding covenant requirements:

		Group		Company	
	Notes	2023	2022	2023	2022
		R million	R million	R million	R million
Total borrowings					
Other financial liabilities	18	3 317	3 247	2 968	2 898
		3 317	3 247	2 968	2 898
Less: Cash	14	(81)	(120)	(59)	(104)
Net debt		3 236	3 127	2 909	2 794
Total equity		7 128	7 256	6 780	6 913
Total capital		10 364	10 383	9 689	9 707
Gearing ratios					
- Net debt as % of total equity		45.4%	43.1%	42.9%	40.4%
- Net debt as % of total capital		31.2%	30.1%	30.0%	28.8%

Liquidity risk

The group's risk to liquidity is a result of funds being available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. At year end, the group's current liabilities exceed the current assets with R133 million as evident from the statement of financial position. A material component of the current liabilities is the contract liabilities which mainly comprise of annual school fees received in advance that will only be billed during the following year. If the contract liabilities of R359 million are excluded, the current assets will exceed the current liabilities. At 31 December 2023, R361 million of the revolving credit facility in company, only repayable in 2025, was unutilised and available as set out in note 14.3.

The following table analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Included in the liquidity analysis on the following page are three lease liabilities with 89 year lease contracts of land in Gauteng. The lease payments are subject to perpetual annual increases of 6% which also contributed to the high undiscounted cash flows being disclosed over 5 years.

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39. Risk management (continued)

Liquidity risk (continued)

Group	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
At 31 December 2023	R million	R million	R million	R million
Assets				
Other financial assets	8	25	-	-
Interest rate swaps*	4	5	-	-
Cash and cash equivalents	64	-	-	-
Investment in money market funds	17	-	-	-
Trade and other receivables	309	-	-	-
Liabilities				
Borrowings	(363)	(1 102)	(2 971)	(110)
Trade and other payables	(245)	-	-	-
Development and acquisition payable	(19)	(10)	-	-
Lease liabilities	(46)	(82)	(82)	(70 912)
At 31 December 2022				
Assets				
Other financial assets	30	11	-	-
Cash and cash equivalents	63	-	-	-
Investment in money market funds	57	-	-	-
Trade and other receivables	263	-	-	-
Liabilities				
Borrowings	(310)	-	(3 921)	(179)
Trade and other payables	(238)	-	-	-
Lease liabilities	(38)	-	(142)	(71 110)
Company				
At 31 December 2023				
Assets				
Other financial assets	7	11	-	-
Interest rate swaps*	4	5	-	-
Loans to subsidiaries	43	102	98	204
Trade and other receivables	270	-	-	-
Cash and cash equivalents	43	-	-	-
Investment in money market funds	17	-	-	-
Liabilities				
Borrowings	(299)	(981)	(2 876)	-
Trade and other payables	(222)	-	-	-
Development and acquisition payable	(19)	(10)	-	-
Lease liabilities	(46)	(82)	(81)	(70 912)
At 31 December 2022				
Assets				
Other financial assets	12	11	-	-
Loans to subsidiaries	224	-	332	-
Trade and other receivables	231	-	-	-
Cash and cash equivalents	50	-	-	-
Investment in money market funds	54	-	-	-
Liabilities				
Borrowings	(269)	-	(3 756)	-
Trade and other payables	(214)	-	-	-
Lease liabilities	(38)	-	(141)	(71 110)

* The interest rate swaps are the only derivative instruments.

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39. Risk management (continued)

Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating and investing cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. The interest and related terms of the group's interest-bearing loans are disclosed in note 18.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit or loss of a defined interest rate shift.

Interest rate sensitivity analysis

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on pre-tax loss for group and profit for company of an increase of 100 basis points in the interest rate would result in an increase in loss or decrease in profit of R27 million (2022: R23 million) for the group and R23 million (2022: R19 million) for the company. A 100 basis points decrease in the interest rate would have an equal but opposite effect on profit or loss.

Interest rate swap contracts

Under interest rate swap contracts, the group and the company agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the group and the company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposure on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit inherent in the contract, and is disclosed in note 10.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the group and the company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The group and company's exposure to interest rate risk at the end of the year is R2.7 billion and R2.3 billion respectively (2022: R2.3 billion and R1.9 billion respectively), after taking into consideration the notional amounts of the interest rate hedge of R662.5 million (2022: R962.5 million) for the group and the company.

Credit risk

Credit risk consists mainly of cash deposits, cash and cash equivalents, trade receivables and loans to group companies (for the company). The group and company consider the financial categories disclosed to be equivalent to the underlying classes, in alignment with IFRS 7 guidelines for annual financial statements, due to their inherent similarity and interrelation. The group and the company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. We consider expected credit losses for each of the classes listed under the financial instruments below.

Trade receivables comprise a widespread customer base but credit risk is evaluated on an individual customer basis. Management evaluates credit risk relating to customers on an ongoing basis, considering credit quality analysis of customers and targeted credit risk management for non-paying accounts particularly when older than three months. The risk control process assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Due to the long-term nature of the service provided, the threat of suspension of said services prove to be a strong factor in encouraging customers to settle their dues. At 31 December 2023, the group and the company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Group		Company	
	2023 R million	2022 R million	2023 R million	2022 R million
Other financial assets	43	42	27	23
Loans to group companies	-	-	614	556
Cash	64	63	43	50
Investment in money market funds	17	57	17	54
Trade receivables	309	263	270	231

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39. Risk management (continued)

Foreign exchange risk

The group and the company do not trade in foreign currency or incur any expenditure in foreign currency, except for the Namibian and Botswana operations, which had an exchange rate of 1:1 and 1:0.74 respectively to the Rand.

The group is therefore primarily exposed to the currency of the Botswana Pula. Based on the simulations performed, if the Rand had weakened/strengthened with 10% against the Botswana Pula, the impact on the post-tax loss would be R0.5 million higher/lower.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Rand, was as follows:

	2023 BWP R million	2022 BWP R million
Trade and other receivables	2	3
Cash and cash equivalents	4	3
Trade and other payables	(3)	(3)

40. Fair value information

Levels of fair value measurements

Refer to accounting policy 1.2 for details of the fair value measurement.

Recurring fair value measurements

	Note(s)	Group 2023 R million	2022 R million	Company 2023 R million	2022 R million
Assets					
Financial assets at fair value through profit or loss					
Investment in money market - Level 2 ¹	14	17	57	17	54
Interest rate swaps - Level 2	10	4	3	4	3
Investment in SA SME Fund - Level 3	10	5	5	5	5

1. The Investment in money market classification was corrected and reclassified from Level 1 in the previous year to Level 2 due to there being limited observable market inputs.

Valuation techniques used to derive level 1 fair values

The fair value of the investment in money market funds is based on quoted market prices.

Valuation techniques used to derive level 2 fair values

The discounted cash flow valuation technique is used to calculate level 2 fair values. Future cash flows are estimated based on forward interest rates and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Valuation techniques used to derive level 3 fair values

Inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Fund is a registered standalone investment vehicle managed by an executive management team, which reports to an independent board of directors. The fundamental purpose of the Fund is to create a solution to SA's low growth environment and unemployment crisis with greater entrepreneurial activity and small and medium size enterprise (SME) growth. The fair value is based on the latest results of the Fund which reports net assets of R1.3 billion and therefore we believe that our R5 million investment is still at fair value.

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Notes to the consolidated and separate financial statements

41. Events after the reporting date

The directors are not aware of any matter, that is material to the group or the company, that has occurred between the reporting date and the date of the approval of the consolidated and separate annual financial statements.

42. Non-current assets held for sale

Three properties in the Curro segment has been classified as held for sale during the current year as the decision has been made to sell the properties. An offer to purchase has been signed for each property respectively for a total amount of R22 million.

The disposal of land and buildings that remain classified as held for sale amounting to R54 million at the reporting date remains appropriate as the necessary agreements have been finalised. Management are of the view that the IFRS 5 criteria for the assets to be classified as held for sale still continue to be met at year-end.

43. Restatement of prior period figures

Provisions were previously incorrectly disclosed as part of trade and other payables, which have now been reclassified to a separate line in the statement of financial position in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Such restatement had no impact on previously reported assets, equity, or profitability; however, it had the following impact on the consolidated statement of financial position:

	Dec 2022 R million	Change R million	Dec 2022 (Restated) R million
Group			
Impact on the consolidated statement of financial position as at 31 December 2022			
Current liabilities			
Trade and other payables	274	(36)	238
Provisions	-	36	36
Net current liabilities	274	-	274
	Dec 2022 R million	Change R million	Dec 2022 (Restated) R million
Company			
Impact on the consolidated statement of financial position as at 31 December 2022			
Current liabilities			
Trade and other payables	249	(35)	214
Provisions	-	35	35
Net current liabilities	249	-	249

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Shareholder analysis

Range of shareholding	Number of shares held in range 2023		Number of shares held in range 2022	
		%		%
1 to 500	1 562 207	0.3%	1 817 943	0.3%
501 to 1 000	1 615 778	0.3%	2 044 181	0.3%
1 001 to 5 000	8 649 264	1.5%	10 826 900	1.8%
5 001 to 10 000	6 619 545	1.1%	8 454 703	1.4%
10 001 and over	569 227 024	96.9%	574 817 868	96.1%
	587 673 818	100.0%	597 961 595	100.1%

Public and non-public shareholding	Number of shares held 2023		Number of shares held 2022	
		%		%
JF Mouton Familietrust	82 762 269	14.1%	77 577 426	13.0%
Curro Holdings Limited Incentive Trust	11 722 617	2.0%	9 517 000	1.6%
Directors	99 155 203	17.0%	96 494 679	16.1%
Total non-public shareholding	193 640 089	33.0%	183 589 105	30.7%
Total public shareholding	394 033 729	67.0%	414 372 490	69.3%
	587 673 818	100.0%	597 961 595	100.0%

Number of public and non-public shareholders	Number of shareholders 2023		Number of shareholders 2022	
		%		%
Non-public	9	0.0%	7	0.0%
Public	27 006	100.0%	30 563	100.0%
	27 015	100.0%	30 570	100.0%

Individual shareholders holding more than 5%	Number of shares held 2023		Number of shares held 2022	
		%		%
JF Mouton Familietrust	82 762 269	14.1%	77 577 426	13.0%
Camissa	67 941 269	11.6%	66 988 220	11.2%
Public Investment Corporation	55 942 707	9.5%	57 384 479	9.6%
Sanlam	32 331 947	5.5%	35 349 347	5.9%
Coronation	34 148 690	5.8%	-	0.0%
Allan Gray			36 245 952	6.1%
Visio Capital			32 682 504	5.5%
	273 126 882	46.5%	306 227 928	51.3%