Balwin Properties Limited

(Registration number 2003/028851/06)
Consolidated and Separate Financial Statements
for the year ended 29 February 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Residential property development and sale of sectional title apartments, bond commission, rental of commercial property and other annuity based services provided to the residential developments
Directors	SV Brookes JS Bigham H Saven A Shapiro ARK Kukama T Mokgosi-Mwantembe O Amosun J Scher K Moloko RN Gray
Prescribed officers	U Gschnaidtner
Business and registered office address	105 Corlett Drive Melrose Johannesburg Gauteng 2196
Auditor	BDO South Africa Inc. Registered Auditor
Company secretary	FluidRock Co Sec Proprietary Limited
Preparer	The consolidated and separate annual financial statements have been compiled under the supervision of: JS Bigham CA (SA) (Chief financial officer)
Date of approval of annual financial statements	20 May 2024

Index

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

Level of assurance

These consolidated and separate annual financial statements have been prepared and audited in compliance with the applicable requirements of the Companies Act of South Africa, 2008 ("the Companies Act").

Directors' responsibility statement and approval of consolidated and separate annual financial statements

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

The consolidated and separate annual financial statements have been consistently prepared in accordance with the IFRS Accounting Standards ("Accounting Standards") and IFRIC Interpretations adopted by the Independent Accounting Standards Board, the SA financial reporting requirements and the requirements of the Companies Act and the JSE Listings Requirements.

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 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the 12 months to May 2025 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditors and their report is presented on pages 13 to 15.

The consolidated and separate annual financial statements set out on pages 10 to 12 and 16 to 76, which have been prepared on the going concern basis, were approved by the board on 20 May 2024 and were signed on their behalf by:

SV Brookes **Chief executive officer**	**JS Bigham** **Chief financial officer**

Chief executive officer and chief financial officer responsibility statement

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

- the annual financial statements set out on pages 10 to 12 and 16 to 76, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of the Accounting Standards;
- 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;
- 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 annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.

SV Brookes
Chief executive officer

20 May 2024

JS Bigham
Chief financial officer

20 May 2024

Company secretary's certification

In terms of section 88(2)(e) of the Companies Act, we certify that to the best of our knowledge and belief, the Balwin group has in respect of the financial year reported upon, lodged with the Companies and Intellectual Property Commission all returns required of a public group in terms of the Companies Act and that all such returns are true, correct and up to date.

Caroline King
On behalf of: FluidRock Co Sec Proprietary Limited
20 May 2024

Audit and risk committee report

The audit and risk committee ("the committee") has pleasure in submitting this report, which has been approved by the board and has been prepared in accordance with section 94(7)(f) of the Companies Act No 71 of 2008 of South Africa ("the Act") and incorporates the recommendations of the Report on Corporate Governance for South Africa, 2016 ("King IV").

The committee assists the board in meeting its responsibilities relating to the following:
- internal and external audit process for the group taking into account all significant risks;
- adequacy and functioning of the group's internal controls;
- integrity of financial reporting;
- risk management; and
- information technology.

The members confirm that the committee has performed all the duties required in terms of the Act.

Owing to the size of the company, the functions of an audit committee and risk committee have been combined to be directed by a single audit and risk committee and the internal audit function is outsourced to KPMG.

Committee composition

The committee comprises three non-executive directors and all members act independently as described in the Act.

The chief executive officer, chief financial officer, key finance management, the external auditor and the internal auditor attend meetings by invitation. The chairman of the board attends the meetings by invitation but has no vote. The board is satisfied that the independence, experience and qualifications of each member enables them to fulfil the committee's mandate. In addition to the quarterly meetings, the committee meets at least once a year with the company's internal and external auditors, without management being present.

The committee comprised the following members at year end:

Director	Appointed	Experience	Meeting attendance
Tomi Amosun BBus Sci (Finance Hons), CA(SA)	May 2017	Chartered accountant with over 15 years of real estate, listed equity and private equity experience	4/4 meetings
Keneilwe Moloko NDip (Building Survey), BSc (QS), BCom, PGDA, CA(SA)	August 2022	Over 20 years experience in the construction industry, with both financial and quantity surveying qualifications	4/4 meetings
Arnold Shapiro BBus Sci (Finance Hons)	October 2016	Over 30 years of asset management, portfolio management and general management experience	4/4 meetings

There were no changes to the composition of the committee in the reporting period.

The committee collectively has the necessary financial knowledge, skills and experience to execute their duties effectively. The committee is pleased to report to shareholders on the progress against its key focus areas for the 2024 financial year.

Audit and risk committee report (continued)

Focus areas of the committee

The key areas of focus in the year under review were as follows:

Focus area	Progress
Monitoring and management of financial reporting and governance	The committee continues to review the financial reporting of the group to ensure the disclosures are in line with reporting frameworks. Furthermore, the committee reviews relevant governance policies on an annual basis in accordance with the committee work plan and ensures that the committee keeps abreast of legislative and regulatory changes. Owing to the continued growth of the annuity businesses with the group, the committee reviewed and approved the inaugural group governance framework. The committee continues to ensure that the recommendations provided by the internal auditors are implemented timeously.
Balance sheet management and financial sustainability in a challenging macroeconomic environment	The committee actively engaged with management to identify and monitor the key components of the balance sheet and certain key financial ratios and covenant compliance. The group's risk tolerance thresholds were reviewed and prudently aligned with bank covenants. Management reported quarterly on its current covenants levels as well as provided covenant and cash forecasts which were thoroughly interrogated by the committee.
Embedding the combined assurance model and continued proactive engagement with the internal and external audit functions	The committee oversees the internal and external audit reviews. The committee tasks management with acting on the findings of such reviews and regular feedback is provided to the committee. In accordance with the committee's responsibilities as per section 22.15(h) of the JSE Listings Requirements, the committee reviews and considers the information reported by the external auditor in respect of all aspects impacting the quality of audit performed. Management revised the combined assurance model to optimise all assurance services and functions and the model was reviewed by the committee.
Continued overview on IT systems and policies	The committee provided oversights on the group's IT strategy and evaluated the performance of management relevant to its strategic objectives. IT risks and mitigating controls were reviewed and various IT governance policies were approved. The committee further assessed the adequacy of the insurance for IT related risks as well as emphasised and provided oversight of the enhancement in the disaster recovery measures of the group.
Oversight of risk management	The committee oversees risk management. The committee reviewed the group's risk identification, mitigation plans and residual risk ratings with a particular focus on strategic and operational risks. The committee reviewed the quarterly legal risk register and the findings of the whistleblowing hotline while further providing oversight on the insurance coverage of the group.
Monitoring of treasury risks	The committee monitored the treasury risks as reported by the treasury committee. Oversight was provided with respect to cash flow forecasting, debt utilisation and gearing levels as well as covenant compliance.

Planned areas of focus for the 2025 financial year are as follows:
- Monitoring and management of the internal financial controls of the group;
- Continued oversight on IT systems, strategy and policies;
- Monitoring of the robustness of the group's balance sheet, liquidity and allocation of capital in the expected continued challenging market conditions;
- Overview of the compliance with lending covenants;
- Proactive engagement with the external and internal audit functions to ensure audit efficiencies and alignment in the combined assurance model;
- Implementation of the newly introduced group governance framework and alignment with the delegation of authority framework; and
- Oversight of group risk identification and enhancement to the risk ratings.

Audit and risk committee report (continued)

Roles of the audit committee

The terms of reference of the committee have been updated and approved by the board, setting out its duties and responsibilities as prescribed in the Act and King IV and incorporating additional duties delegated by the board.

The committee's duties include the following:
- fulfils the duties that are assigned to it by the Act and other legislation, including the statutory audit committee functions required for subsidiary companies;
- assists the board in overseeing the quality and integrity of the group’s integrated reporting process, including the financial statements and announcements in respect of the financial results;
- ensures that an effective control environment is maintained in the group;
- reviewed and adopted a combined assurance model;
- provides the chief financial officer, external auditor and the internal auditor with unrestricted access to the committee and its chairman as is required in relation to any matter falling within the ambit of the committee;
- meets with the external auditor, senior management and executive directors as the committee may elect;
- meets separately with the internal and external auditors without other executive board members and the company’s chief financial officer being present;
- reviews and recommends to the board the interim financial results and annual financial statements;
- oversees the activities of, and ensures coordination between, the activities of the internal and external auditors;
- receives and deals with any complaints concerning accounting practices, internal audit or the content and audit of its financial statements or related matters;
- oversees and ensures the appropriateness of the delegation of authority of the business;
- conducts annual reviews of the audit and risk committee’s work plan and terms of reference;
- assesses the performance and effectiveness of the audit and risk committee and its members;
- monitors the results of the calls made to the fraud hotline, which is managed independently from management; and
- assesses the effectiveness of the finance department and skills and experience of the chief financial officer.

Execution of functions during the year

The committee is satisfied that, for the 2024 financial year, it has performed all the functions required to be performed by an audit and risk committee as set out in the Act and the committee’s terms of reference.

External audit
The committee among other matters:
- reappointed BDO as the external auditor of the group;
- reviewed the audit effectiveness and evaluated the external auditor’s internal quality control procedures and engaged on any adverse findings;
- obtained an annual confirmation from the auditor that their independence was not impaired;
- satisfied themselves with the quality of the external auditor;
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide;
- approved the non-audit services performed by BDO in the current year;
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005; and
- considered any reported control weaknesses, management’s response for their improvement and assessed their impact on the general control environment.

This is the fourth year in which BDO has performed the external audit function. The committee is satisfied that BDO is independent of the group after taking the following factors into account:
- representations made by BDO to the committee;
- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- the auditors’ independence was not impaired by any consultancy, advisory or other work undertaken by the auditor; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

Audit and risk committee report (continued)

Internal audit

The committee:
- reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter;
- satisfied themselves that the quality, experience and expertise of the internal audit function and the chief audit executive is appropriate;
- considered the reports of the internal auditor on the group's system of internal control including financial controls, business risk management and maintenance of effective internal control systems; and
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

Adequacy and functioning of the group's internal controls

The committee reviewed the effectiveness of the design and implementation of controls with respect to the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls together with the effectiveness of the combined assurance provided and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

Financial reporting

The committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of the group. This covers the consolidated and separate annual financial statements, integrated report, interim and preliminary reporting.

The committee among other matters:
- confirmed the going concern as the basis of preparation of the interim and consolidated and separate annual financial statements;
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate;
- examined and reviewed the interim and consolidated and separate annual financial statements, as well as all financial information disclosed prior to the submission to the board for their approval and then for disclosure to stakeholders;
- ensured that the consolidated and separate annual financial statements fairly present the financial position of the group and of the company as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the group was determined to be a going concern;
- reviewed the cash flow forecasting performed to stress test the cash flows of the group with respect to the assumptions and implications surrounding inflationary pressures;
- considered the appropriateness of the disclosure included in the consolidated and separate annual financial statements;
- considered the impact of the JSE Proactive Monitoring report released in November 2023 on the disclosures of group and company financial statements to ensure they are adequate;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the consolidated and separate annual financial statements which was signed by management;
- considered any concerns identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- considered accounting treatments, significant unusual transactions and accounting judgments.

Significant areas of judgements and sources of estimation uncertainties

In arriving at the figures disclosed in the consolidated and separate financial statements there are many areas where judgement is needed. These are outlined in note 1.2 to the consolidated and separate financial statements. The committee has looked at the quantum of the assets and liabilities on the statements of financial position and other items that require significant judgement and decided to note the following:

Assumptions and estimation uncertainties
- Recognition of cost of constructed residential apartments sold;
- Net realisable value of developments under construction; and
- Preparation of cash flow forecasts.

Audit and risk committee report (continued)

Risk management and information technology (IT) governance

The committee:
- reviewed the group's IT strategy;
- ensured that intellectual property contained in information systems are protected;
- ensured that adequate business arrangements are in place for disaster recovery;
- assessed and increased the insurance coverage for cyber liability risks;
- ensured that all personal information is treated by the company as an important business asset and is safeguarded as per the Protection of Personal Information Act;
- approved the IT governance framework; and
- reviewed the group’s policies on risk assessment and risk management, including fraud risks and IT risks pertaining to financial reporting and the going concern assessment, and found them to be sound.

Legal and regulatory requirements

To the extent that these may have an impact on the consolidated and separate annual financial statements, the committee:
- reviewed legal matters that could have a material impact on the group and considered whether any provisions or disclosures are required under the International Accounting Standard 37: *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37");
- reviewed the adequacy and effectiveness of the group’s procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- monitored complaints received via the group’s whistleblowing service. No complaints were reported; and
- considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

Expertise and experience of chief financial officer and the financial function

As required by section 3.84(g) of the JSE Limited Listings Requirements, the committee has satisfied itself that the chief financial officer, Jonathan Bigham, has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group’s requirements.

Election of committee members

Pursuant to the provisions of section 94(2) of the Companies Act, which requires a public company to elect an audit committee at each annual general meeting, it is proposed in the notice of annual general meeting that the committee members are available for re-appointment until the next annual general meeting in 2025.

Evaluation of the committee

In accordance with the board charter, a formal evaluation of the board and its committees is conducted every second year. Accordingly, the board evaluation was undertaken in the current financial year. The review concluded that the committee operated effectively and had successfully discharged its duties and responsibilities.

Consolidated and separate annual financial statements

Following the review by the committee of the consolidated and separate annual financial statements of Balwin Properties Limited for the year ended 29 February 2024, the committee is of the view that in all material aspects they comply with the relevant provisions of the Act and International Financial Reporting Standards and fairly present the consolidated and separate financial positions at that date and the results of operations and cash flows for the year then ended.

Tomi Amosun
Chairperson
Audit and risk committee
20 May 2024

Directors' report

The directors have pleasure in submitting their report on the activities of Balwin Properties Limited (referred to as "the company") and its subsidiaries (altogether referred to as "the group" or "consolidated") for the year ended 29 February 2024.

1. Review of financial results and activities

Balwin is a specialist, national large-scale residential property developer focused on turnkey development and sale of sectional title apartments.

The group recorded total comprehensive income for the year ended 29 February 2024 of R218.8 million (2023: R436.9 million). Further details of the group's and company's results and activities are commented on in detail in the accompanying financial statements.

2. State of affairs

All matters material to the appreciation of the group's and company's affairs and the results are disclosed in the accompanying financial statements and do not require further comment or explanation.

All profits and losses are attributable to the main activities of the group.

3. Share capital

	2024	2023
Authorised	Number of shares	
Ordinary shares	1 000 000 000	1 000 000 000

	2024	2023	2024	2023
Issued	R '000	R '000	Number of shares	
Accounting shares - ordinary shares	670 206	670 206	467 722 067	465 209 430
BEE shares	171 878	171 878	47 219 260	47 219 260
Treasury shares	(184 570)	(191 111)	4 470 525	6 983 162
Statutory shares	**657 514**	**650 973**	**519 411 852**	**519 411 852**

There have been no changes to the authorised share capital during the year under review. Treasury shares were issued in the current year in terms of the existing long-term incentive scheme. Refer to note 23 for details.

4. Major shareholders

Registered shareholders owning more than 5% of issued shares:

	2024		**2023**	
	Number of shares held	**Percentage of issued shares**	**Number of shares held**	**Percentage of issued shares**
Volker Holdings Proprietary Limited*	171 751 457	33.1 %	170 374 031	32.8 %
Rodna Investments Proprietary Limited**	48 241 519	9.3 %	47 928 800	9.2 %
Tatovect Proprietary Limited***	47 219 260	9.1 %	47 219 260	9.1 %
GRE Africa Limited	39 357 225	7.6 %	39 357 225	7.6 %
Nedbank Group	28 500 000	5.5 %	28 500 000	5.5 %
Non-public shareholders	282 160 943	54.3 %	287 111 384	55.3 %
Public shareholders	237 250 909	45.7 %	232 300 468	44.7 %

As at 29 February 2024 there were 28 100 (2023: 25 996) public shareholders.

* The entity is controlled by SV Brookes
** The entity is controlled by RN Gray
*** The entity is controlled by ARK Kukama

Directors' report (continued)

5. Directorate

The directors in office during the year were as follows:

Directors	Designation	Changes
SV Brookes	Chief executive officer	
JS Bigham	Chief financial officer	
ARK Kukama	Non-executive director	
H Saven	Independent non-executive director	
R Zekry	Independent non-executive director	Resigned 24 August 2023
O Amosun	Independent non-executive director	
T Mokgosi-Mwantembe	Independent non-executive director	
A Shapiro	Independent non-executive director	
J Scher	Independent non-executive director	
K Moloko	Independent non-executive director	
Prescribed officers		
RN Gray	Managing director	
U Gschnaidtner	Chief projects officer	Resigned 1 February 2024*

* Ulrich Gschnaidtner resigned from his position as chief projects officer to pursue emigration to Australia. He is serving his six-month notice period at the date of the approval of the annual financial statements.

6. Dividends

A dividend of R73.2 million was paid during the 2024 financial year (2023: R121.5 million).

7. Independent auditor

BDO South Africa Inc. continued in office as auditors for the company and its subsidiaries for the financial year ended 29 February 2024.

At the annual general meeting, the shareholders will be requested to reappoint BDO South Africa, together with Vianca Pretorius as the designated auditor, as the external audit firm of the company for the 2025 financial year.

8. Company secretary

The company secretary is FluidRock Co Sec Proprietary Limited.

Business address: Block 5, Suite 201
Monument Office Park
Pretoria
0181

9. Directors interest

There has been no movement in directors interest from year end to date of approval of the financial statements.

Directors' report (continued)

10. Going concern

The directors have reviewed the group and company's cash flow forecasts up to the period ending May 2025 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

The group has performed cash flow forecasting to support the going concern assumption of the group. In preparing the cash flow forecast, the terms of the existing debt covenants have been reviewed and are expected to be complied with in full. The cash flow forecast is based upon the development programme of the business as approved by the executives. The development programme guides the potential for cash inflows from the sale and registration of apartments and drives the construction related costs incurred in order to deliver the apartments to the market. It is this relationship between the rate of construction and the rate of sales that is paramount to the success of the business model and the ability of the group to effectively manage its cash resources. Accordingly, the cash flow forecasting of the group is dynamic and is actively managed to ensure optimum cash management.

The group has forward sold 529 apartments beyond the current reporting period. These apartments will be recognised in revenue and the resulting cash realised in future years.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and company.

11. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Date of authorisation for issue of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 20 May 2024.

Independent Auditor's Report
To the Shareholders of
Balwin Properties Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate financial statements of Balwin Properties Limited (the group and company) set out on pages 16 to 76, which comprise the consolidated and separate statements of financial position as at 29 February 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Balwin Properties Limited as at 29 February 2024 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of *Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Key audit matter	How our audit addressed the key audit matter
Recognition of cost of sales (Consolidated and separate financial statements) The cost of sales recognised upon the sale of residential units is calculated by apportioning the total forecasted costs of the respective development, to the square meterage of the unit disposed of, as a percentage of the total square meterage of the development. Significant judgement and estimates are required in determining the total forecasted costs of completion. This is determined based on significant assumptions in determining the estimated future costs and the development plan for the respective developments. Management's expert, being the quantity surveyor, determines the forecasted costs. Due to the significance of the cost of sales balance to the consolidated and separate financial statements, combined with the significant judgements and assumptions associated with determining the forecasted costs, this is considered to be a matter of most significance in our audit of the	Our audit procedures incorporated a combination of substantive procedures as well as tests of the group and company's controls relating to the forecasting of the costs necessary to complete the developments. Our procedures included the following, among other: <u>Cost of goods recognised</u> • We assessed the design and implementation of relevant controls relating to the forecasting of the total costs per development and tested its operating effectiveness. Our work in this regard included: ○ Obtaining and inspecting minutes of meetings relating to the property budget meetings which took place throughout the year. We confirmed that the forecasts per development are discussed and approved by the directors at the meetings. • We performed an assessment of management's expert in order to evaluate his competence, capabilities and objectivity, and ability to forecast costs appropriately. We obtained an independence confirmation from management's expert to confirm his independence; • We performed an assessment of the auditor's expert in order to evaluate his competence, capabilities and objectivity, and ability to measure development plans appropriately. We

consolidated and separate financial statements for the current year.

The accounting policy for the recognition of costs of sales is disclosed under note 1.2 to the financial statements.

obtained an independence confirmation from the auditor's expert to confirm his independence;

- On a sample basis we assessed the significant assumptions included in the forecasts used to determine the total cost to complete each development under construction. In this regard, we assessed whether the correct quantities were included in the system based on the development plans, with assistance of the auditor's experts who remeasured portions of the plans, and whether it was included at the correct costs based on inspection of external supplier invoices .;
- We created an independent expectation of cost of sales in the current year based on prior year cost of sales recognised per square meter and compared this to actual cost of sales recognised in the current year per development;
- We recalculated the cost of sales for the year in total per development by utilising the forecast costs and square metres sold;
- We performed a number of substantive analytical procedures in order to assess the reasonability of the forecasted cost, as well as of the cost of sales recognised during the year; and
- We performed reasonability tests on the forecasted costs based on the percentage of units sold and compared this to the total cost of sales recognised for that development during the year.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Balwin Properties Limited Integrated Report for the year ended 29 February 2024" and "Balwin Properties Limited Consolidated and Separate Financial Statements for the year ended 29 February 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 obtained, 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 as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and 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 the 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 BDO South Africa Incorporated has been the auditor of Balwin Properties Limited for 4 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Vianca Pretorius
Director
Registered Auditor

20 May 2024
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statements of financial position as at 29 February 2024

		Group		Company	
	Note	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Assets					
Non-current assets					
Property, plant and equipment	3	381 826	328 413	224 173	226 590
Investment property	4	220 375	153 020	-	-
Intangible assets	5	22 126	23 281	20 772	21 555
Investments in subsidiaries	6	-	-	5 655	5 655
Loans to external parties	7	8 664	8 664	8 664	8 664
Other financial assets	8	1 267	-	1 267	-
Deferred taxation	9	11 413	6 778	-	-
		645 671	**520 156**	**260 531**	**262 464**
Current assets					
Developments under construction	10	6 342 225	5 734 382	6 349 730	5 740 393
Loans to related parties	11	-	-	116 648	42 569
Trade and other receivables	12	349 709	218 902	289 162	219 162
Development loans receivable	13	1 840	27 021	1 840	27 021
Current tax receivable		1 316	-	1 008	-
Cash and cash equivalents	14	289 586	607 349	272 865	576 060
Restricted cash	15	-	164 376	-	164 376
		6 984 676	**6 752 030**	**7 031 253**	**6 769 581**
Non-current assets held for sale	16	-	26 061	-	26 061
Total assets		**7 630 347**	**7 298 247**	**7 291 784**	**7 058 106**
Equity and liabilities					
Equity					
Share capital	17	657 514	650 973	657 514	650 973
Reserves		83 222	71 056	83 222	71 056
Retained income		3 265 019	3 112 898	3 220 064	3 087 680
		4 005 755	3 834 927	3 960 800	3 809 709
Non-controlling interest		3 295	1 591	-	-
		4 009 050	**3 836 518**	**3 960 800**	**3 809 709**
Liabilities					
Non-current liabilities					
Development loans and facilities	18	1 113 695	1 267 742	815 029	1 091 426
Other financial liabilities	8	-	684	-	684
Lease liabilities	19	-	191	138 988	147 945
Deferred taxation	9	348 079	273 364	327 412	261 272
		1 461 774	**1 541 981**	**1 281 429**	**1 501 327**
Current liabilities					
Development loans and facilities	18	1 959 202	1 688 777	1 881 122	1 513 430
Lease liabilities	19	192	1 075	192	1 075
Trade and other payables	20	175 848	146 472	145 942	151 099
Current tax payable		-	21 899	-	23 046
Employee benefits	21	24 281	61 525	22 299	58 420
		2 159 523	**1 919 748**	**2 049 555**	**1 747 070**
Total liabilities		**3 621 297**	**3 461 729**	**3 330 984**	**3 248 397**
Total equity and liabilities		**7 630 347**	**7 298 247**	**7 291 784**	**7 058 106**

Statements of profit or loss and other comprehensive income for the year ended 29 February 2024

		Group		Company	
	Note	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Revenue	22	2 356 284	3 326 908	2 222 136	3 243 815
Cost of sales		(1 690 629)	(2 366 758)	(1 681 262)	(2 359 466)
Gross profit		**665 655**	**960 150**	**540 874**	**884 349**
Other income (expenses)	24	16 336	15 416	(6 206)	6 492
Other operating gains	25	-	9 952	-	-
Operating expenses		(351 177)	(392 768)	(266 220)	(332 844)
Operating profit	26	**330 814**	**592 750**	**268 448**	**557 997**
Investment income	27	30 061	36 762	29 947	36 652
Finance costs	28	(50 619)	(32 383)	(19 274)	(20 642)
Share of profit of associate		-	332	-	332
Profit before taxation		**310 256**	**597 461**	**279 121**	**574 339**
Taxation	29	(92 884)	(160 107)	(83 190)	(156 050)
Profit for the year		**217 372**	**437 354**	**195 931**	**418 289**
Other comprehensive income / (loss) net of income tax:					
Items that will not subsequently be reclassified to profit or loss:					
Profit (loss) on cash flow hedges		1 951	(684)	1 951	(684)
Taxation relating to items that will not be reclassified		(534)	192	(534)	192
Other comprehensive income (loss) for the year net of taxation		**1 417**	**(492)**	**1 417**	**(492)**
Total comprehensive income for the year		**218 789**	**436 862**	**197 348**	**417 797**
Total profit attributable to:					
Owners of the parent		215 668	436 267	195 931	418 289
Non-controlling interest		1 704	1 087	-	-
		217 372	**437 354**	**195 931**	**418 289**
Total comprehensive income attributable to:					
Owners of the parent		217 085	435 775	197 348	417 797
Non-controlling interest		1 704	1 087	-	-
		218 789	**436 862**	**197 348**	**417 797**
Basic and diluted earnings per share					
Basic (cents)	36	46.18	93.74		
Diluted (cents)	36	46.18	93.68		

Statements of changes in equity
for the year ended 29 February 2024

	Share capital	Cash flow hedge reserve	Share based payment reserve	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Group							
Balance at 1 March 2022	**664 225**	**-**	**67 448**	**2 783 746**	**3 515 419**	**504**	**3 515 923**
Profit for the year	-	-	-	436 267	436 267	1 087	437 354
Other comprehensive loss	-	(492)	-	-	(492)	-	(492)
Total comprehensive income for the year	**-**	**(492)**	**-**	**436 267**	**435 775**	**1 087**	**436 862**
Issue of shares from treasury to settle long-term incentives	6 860	-	(6 860)	-	-	-	-
Treasury shares acquired	(20 112)	-	-	-	(20 112)	-	(20 112)
Share based payment	-	-	10 960	-	10 960	-	10 960
Dividend paid	-	-	-	(121 542)	(121 542)	-	(121 542)
Dividend received from treasury shares	-	-	-	14 427	14 427	-	14 427
Balance at 1 March 2023	**650 973**	**(492)**	**71 548**	**3 112 898**	**3 834 927**	**1 591**	**3 836 518**
Profit for the year	-	-	-	215 668	215 668	1 704	217 372
Other comprehensive income	-	1 417	-	-	1 417	-	1 417
Total comprehensive income for the year	**-**	**1 417**	**-**	**215 668**	**217 085**	**1 704**	**218 789**
Issue of shares from treasury to settle long-term incentives	6 541	-	(6 541)	-	-	-	-
Share based payment	-	-	17 290	-	17 290	-	17 290
Dividend paid	-	-	-	(73 237)	(73 237)	-	(73 237)
Dividend received from treasury shares	-	-	-	9 690	9 690	-	9 690
Balance at 29 February 2024	**657 514**	**925**	**82 297**	**3 265 019**	**4 005 755**	**3 295**	**4 009 050**
Note	17		23				

Statements of changes in equity for the year ended 29 February 2024

	Share capital	Cash flow hedge reserve	Share based payment reserve	Retained income	Total equity
	R'000	R'000	R'000	R'000	R'000
Company					
Balance at 1 March 2022	**664 225**	**-**	**67 448**	**2 776 506**	**3 508 179**
Profit for the year	-	-	-	418 289	418 289
Other comprehensive loss	-	(492)	-	-	(492)
Total comprehensive income for the year	**-**	**(492)**	**-**	**418 289**	**417 797**
Issue of shares from treasury to settle long-term incentives	6 860	-	(6 860)	-	-
Share based payment	-	-	10 960	-	10 960
Treasury shares acquired	(20 112)	-	-	-	(20 112)
Dividend paid	-	-	-	(121 542)	(121 542)
Dividend received from treasury shares	-	-	-	14 427	14 427
Balance at 1 March 2023	**650 973**	**(492)**	**71 548**	**3 087 680**	**3 809 709**
Profit for the year	-	-	-	195 931	195 931
Other comprehensive income	-	1 417	-	-	1 417
Total comprehensive income for the year	**-**	**1 417**	**-**	**195 931**	**197 348**
Issue of shares from treasury to settle long-term incentives	6 541	-	(6 541)	-	-
Share based payment	-	-	17 290	-	17 290
Dividend paid	-	-	-	(73 237)	(73 237)
Dividend received from treasury shares	-	-	-	9 690	9 690
Balance at 29 February 2024	**657 514**	**925**	**82 297**	**3 220 064**	**3 960 800**
Note	17		23		

Statements of cash flows
for the year ended 29 February 2024

		Group		Company	
	Note(s)	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Cash flows from operating activities					
Cash generated from / (used in) operations	30	5 078	558 868	(18 634)	515 018
Interest received		30 061	36 762	29 947	36 652
Finance costs paid	28	(296 316)	(217 373)	(270 627)	(207 610)
Taxation paid	32	(46 738)	(133 094)	(41 821)	(125 484)
Net cash (used in) / generated from operating activities		**(307 915)**	**245 163**	**(301 135)**	**218 576**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(48 427)	(86 452)	(14 833)	(18 696)
Proceeds from disposal of property, plant and equipment		-	2 422	4	2 088
Purchases of investment property	4	(67 355)	-	-	-
Proceeds on disposal of non-current assets held for sale		19 000	-	19 000	-
Purchases of intangible assets	5	(12 507)	(11 541)	(12 069)	(10 400)
Proceeds from disposal of intangible assets		6 682	-	6 682	-
Net cash paid on business combinations		-	(14 134)	-	-
Loans to group companies raised	11	-	-	(100 045)	(42 569)
Loans to group companies repaid	11	-	-	25 966	16 377
Decrease / (increase) in restricted cash	15	164 376	(163 290)	164 376	(163 290)
Dividend received from associate		-	250	-	250
Net cash generated from / (used in) investing activities		**61 769**	**(272 745)**	**89 081**	**(216 240)**
Cash flows from financing activities					
Treasury shares acquired	17	-	(20 112)	-	(20 112)
Development loans raised and utilised	31	1 965 438	2 200 433	1 965 438	2 200 433
Development loans repaid	31	(1 424 661)	(2 327 757)	(1 424 661)	(2 327 757)
Investment loans and general banking facilities repaid	31	(679 269)	(618 679)	(667 568)	(618 679)
Investment loans and general banking facilities raised and utilised	31	131 496	844 271	99 713	786 340
Payment on lease liabilities	31	(1 074)	(1 746)	(516)	(846)
Dividend paid		(73 237)	(121 542)	(73 237)	(121 542)
Dividend received from treasury		9 690	14 427	9 690	14 427
Net cash used in financing activities		**(71 617)**	**(30 705)**	**(91 141)**	**(87 736)**
Total cash and cash equivalents movement for the year		**(317 763)**	**(58 287)**	**(303 195)**	**(85 400)**
Cash and cash equivalents at the beginning of the year		607 349	665 636	576 060	661 460
Cash and cash equivalents at the end of the year	14	**289 586**	**607 349**	**272 865**	**576 060**

Accounting policies

1. Presentation of consolidated and separate financial statements

The consolidated and separate financial statements, comprising Balwin Properties Limited (referred to as “the company”) and its subsidiaries (altogether referred to as “the group” or "consolidated"), incorporate the following principal accounting policies, set out below. In these accounting policies “the group” refers to both the group and company.

The principal accounting policies, set out below have been applied consistently for all periods presented in the financial statements and have been consistently applied by the group, refer to note 2 for information on new or revised standards or interpretations adopted during the year.

The consolidated and separate financial statements have been consistently prepared in accordance with IFRS Accounting Standards ("Accounting Standards") and IFRIC Interpretations adopted by the Independent Accounting Standards Board, the SA financial reporting requirements and the requirements of the Companies Act and the JSE Listings Requirements.

The consolidated and separate financial statements have been prepared on the historic cost convention, except for investment property carried at fair value through profit and loss and derivatives carried at fair value through other comprehensive income, and incorporate the principal accounting policies set out below. They are presented in South African Rands, which is also the functional currency of the company, and are rounded to the nearest R'000.

This report was internally compiled under the supervision of Jonathan Bigham CA(SA), the Chief Financial Officer. These financial statements have been audited in compliance with all applicable requirements of the Companies Act and were authorised for issue on 20 May 2024.

1.1 Consolidation

Basis of consolidation

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. The results of the subsidiary is included in the consolidated and separate financial statements from the effective date of acquisition (being the date on which control commences) to the effective date of disposal (being the date on which control ceases).

The accounting policies of the subsidiaries are consistent with those of the holding company. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those of the group. All inter-company transactions, balances, income and expenses are eliminated 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.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of changes in equity.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. There is no use of significant judgement in the preparation of the financial statements. Significant sources of estimation uncertainty include:

Assumptions and estimation uncertainties

Recognition of cost of constructed residential apartments sold

The group uses certain assumptions and key factors in the management of, and reporting for, the recognition of the cost of constructed residential apartments sold. The assumptions are material and relate to the estimation of the forecasted total project cost of the respective developments. These assessments include a degree of inherent uncertainty when estimating these costs. These costs are allocated to the apartments on a participation quotient methodology upon recognising the revenue upon the sale. The estimation of the total project cost is performed by an in-house qualified quantity surveyors and are subject to monthly review. All project forecasts are presented to the executive directors for approval at regular intervals throughout the year.

Accounting policies (continued)

1.2 Significant judgements and sources of estimation uncertainty (continued)

Net realisable value of developments under construction

The group conducts regular reviews of the net realisable value of its developments under construction. The reviews were conducted on a development by development basis, using methodologies that incorporate project revenues and development costs, and based on management's assessment of market conditions existing at the date of review.

Preparation of cash flow forecasts

The application of judgement is inherent in the preparation of cash flow forecasts which are used by the group in support of the going concern assumption.

The forecasts are based on the expected cash flows arising from the approved development programme of the company which is approved by the executive directors. The apartments included in the cash flow forecasts are included on a stepped inclusionary basis per each phase of each development. The inclusion rates are based on a balance of historic information and current sales trends and are applied specifically to the relevant phase. The construction related costs are forecasted by the inhouse qualified quantity surveyors. Funding is based on existing and forecasted bank terms based on the existing funding principles of the group and according to the construction timelines per the development schedule. All funding and land repayments are forecasted per the terms of the respective agreements.

The 12 month cash flows are presented to the board for approval quarterly.

Valuation of the IFRS 2 BEE share option

In the 2022 financial year, the group issued 10% of its shares to a BEE SPV in accordance with the BEE transaction which was approved by the shareholders on 6 September 2021. The shares are treated as an in-substance share option in terms of IFRS 2 Share-based Payment. The Black-Scholes model was used in determining the fair value of the share option on grant date. Certain assumptions were used as inputs to the valuation which involve estimation, most notably the expected volatility and the dividend yield. Refer to note 17 for further details.

Fair value of investment properties

The group applies judgement in the determination of the fair value of its investment property at each reporting date. The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum. Management has assessed the risk associated with the range of possible outcomes and is of the opinion that the risk relating to estimation has been mitigated. The calculation of the market value of the rental portfolio has been based on the income capitalisation method. This is the fundamental basis on which income producing properties are traded in the South African market. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market. Key assumptions used in the valuation include the expected net operating income, the capitalisation rate applied, growth rate in the form of rental escalations and a vacancy and bad debt factor. The hotel was valued on a market comparable sale methodology if the hotel was converted to residential accommodation. Owing to the limited seasonal trading data for the rooms, no other valuation methodology was deemed to be appropriate. Refer to note 4 for further details.

1.3 Property, plant and equipment

It is the group's policy to hold property, plant and equipment at cost less accumulated depreciation, subject to the requirement to test assets for impairment. Depreciation on property, plant and equipment is provided using the straight line method to write off the cost less any estimated residual value, over the estimated useful lives on the following basis:

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight line	Up to 40 years
Plant and machinery	Straight line	4 years
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 - 5 years
Leasehold improvements	Straight line	Over the lease term

Accounting policies (continued)

1.3 Property, plant and equipment (continued)

The useful lives are for the current and comparative period.

The right of use asset is depreciated over the shorter of its useful life or the term of the lease. Accordingly, the lease of the Western Cape office building is depreciated over 5 years. Whilst the lease relating to the new Johannesburg head office is depreciated over 15 years in the books of the company, which represents the useful life of the underlying asset. The useful life takes into account the renewal and purchase option within the lease.

No depreciation is provided on freehold land that is not used for development purposes. All land that is held for the purposes of development is accounted for as developments under construction. Refer to note 1.11 for further detail. 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.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciation charge on items of property, plant and equipment that are directly attributable to the construction of residential apartments are capitalised to developments under construction.

An impairment loss is recognised in profit or loss for the amount by which the asset’s carrying amount exceeds its recoverable amount. Any reversal of a previous impairment is limited so that the increased value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Any gain or loss arising from the disposal of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

1.4 Investment property

Investment property consists of property fully developed by the group for the generation of rental income purposes.

Investment property is recognised as an asset when it has been determined to be probable that future economic benefits associated with the property will flow to the entity and when the cost of the investment property can be reliably measured.

Investment property is initially measured at its cost of development including any other directly attributable expenditure. Investment property is subsequently measured at fair value and all movements in fair value are recognised in the statement of profit or loss and other comprehensive income. The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum.

Subsequent expenditure incurred in relation to the investment property is capitalised to the asset's carrying amount if it is probable that future economic benefits will flow to the group and the cost can be measured reliably. Costs of day-to-day servicing of the property are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

1.5 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less any accumulated amortisation and any impairment losses. Intangible assets are amortised on a straight line basis over their useful life and subjected to an annual assessment of impairment, or more regularly should an indicator of impairment exist during the year.

The useful life and amortisation method of the intangible assets are reviewed on an annual basis. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Item	Depreciation method	Average useful life
Licences	Straight line	10 years
Solar infrastructure contributions	Straight line	15 years
Computer software	Straight line	3 years

Accounting policies (continued)

1.6 Leases

Group and company as lessee

The company has leases in place which relate to the Western Cape Office Building and the Gauteng Office building.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 19 Lease liabilities (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 28).

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment and classified within assets of the same category.

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability; and
- any lease payments made at or before the commencement date.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives (note 1.3).

Accounting policies (continued)

1.6 Leases (continued)

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.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Investments in subsidiaries

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

1.8 Financial instruments

Classification of financial assets and financial liabilities

Financial assets

The group classifies its financial assets on the basis of its business model for managing the financial assets and their contractual cash flow characteristics. The group's financial assets are measured at amortised cost.

Financial liabilities

The group classifies their financial liabilities at amortised cost.

Initial recognition and measurement of financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are measured at fair value on initial recognition.

For financial assets and financial liabilities that are not at fair value through profit or loss, transactions costs are included in the initial measurement of the instrument. Transaction costs are amortised using the effective interest method.

Subsequent measurement

Financial assets and financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

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

Financial liabilities are derecognised when their contractual obligation is discharged or cancelled, or expire. Financial liabilities are also derecognised when their terms are modified and the cash flows of the modified liabilities are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of financial assets

The group applies the simplified approach to determine the expected credit losses (ECL) for trade receivables and therefore assesses impairment using a lifetime approach for these assets adjusted for forward looking factors specific to the debtors and the economic environment.

Accounting policies (continued)

1.8 Financial instruments (continued)

In particular, the following information is taken into account in the determination of the expected credit loss based on a provisional matrix.

- country credit risk - country credit risk was assessed using the Coface Credit risk assessment map and by applying a risk rating based on the country rating;
- customer default risk - each financial asset is assessed by considering the risk of default or liquidation by reference to available financial information including budgets and forecasts where possible or from information obtained either internally or from external sources that provides an indication of liquidity concerns of the customer;
- customer risk - customer risk is assessed on an individual basis by considering payment history and relationships with customers;
- government institution exposure - due to the nature of the operations, the group has to incur costs in terms of contributions made for bulk services on behalf of local municipalities which gives rise to exposure to credit from government institutions. Contributions relating to bulk services is managed very carefully and incorporates the assistance of independent external professionals and thus based on its profile, a separate risk rating has been applied to these financial assets; and
- size of financial asset - The value of each financial asset in relation to the total value of financial assets is considered in terms of a risk rating matrix. The risk rating matrix applies a bigger risk rating to the larger value financial assets.

Based on the nature of the group's operations whereby the apartments are either sold for a cash consideration or where pre-approved bank finance is in place, there is limited judgement applied in determining any expected credit loss with respect to trade receivables.

The group applies the general approach to determine the expected credit loss for loans to related parties, loans to external parties, other receivables and development loans receivable. In applying the general approach, the group takes into account whether there has been a significant increase in credit risk since the initial recognition of the loan. Expected credit losses under the general approach are updated at each reporting date utilising a three-stage model to evaluate for impairment based on changes in credit quality and risk since initial recognition.

In applying stage one of the ECL model, 12-month expected credit losses are recognised on financial assets that have a low credit risk at the reporting date. The 12-month ECL represents the portion of the lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where there has been a significant increase in credit risk since initial recognition, the group recognises lifetime expected credit losses per stage two of the ECL model. In assessing whether the credit risk on loans to related parties, loans to external parties, other receivables and development loans receivable have increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Procedures include, but are not limited to, understanding any previous event of default or amendments made in the period to payment terms, analysing the solvency and liquidity of the credit party based on available financial information and reviewing forecasts where available to identify any increased risk of default.

At each reporting date, an assessment is performed to determine whether financial assets subject to impairment are credit-impaired. The groups financial assets are assessed to be credit-impaired in the event that there is observable evidence that that one or more events with a detrimental effect on the estimated future cash flows have occurred. Such events are, but not limited to, significant financial difficulty of the counterparty or the likely occurrence of bankruptcy. Where the counterparty is assessed to be credit-impaired, the related asset is disclosed in stage three.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. The group recognises a loss allowance for expected credit losses on instruments that are measured at amortised cost. The amount of expected credit losses (“ECL”) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate.

1.8 Financial instruments (continued)

Write-off

The gross carrying amount of a financial asset is directly reduced (that is, written off) when the entity has no reasonable expectations of recovering it in its entirety, or a portion thereof. The corresponding impairment allowance is also reduced. This reduction occurs when the asset is a stage three financial asset as per the ECL model. A write-off constitutes a derecognition event for accounting purposes. Depending on the nature of the account, balances are written off when it is no longer economically viable to keep the debt on the statement of financial position. Indicators which suggest that an account is not economically viable to retain on the statement of financial position include (but do not represent an exhaustive list):

- The exposure is unsecured, i.e., there is no tangible security the group can claim against (excluding suretyships);
- The debt has prescribed;
- The exposure would attract reputational risk should the group pursue further legal action due to the valuation/exposure ratio;
- Where the cost to recover is high in relation to the valuation of the asset.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Loan to external parties

Loans to external parties are initially recognised at their face value which is deemed to approximate their fair value due to the impact of financing being immaterial. The loans are subsequently measured at amortised cost using the effective interest method.

Loans to related parties

The loans to the related parties are recognised initially at fair value plus direct transactional costs and are subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are initially recognised at the transaction value and are subsequently measured at amortised cost using the effective interest method. The group holds trade receivables with the objective to collect contractual cash flows. The receivables relating to the apartments handed over but not yet registered create an unconditional right to the funds receivable. The amounts receivable relates purely to a timing difference between handover of the apartment and the subsequent registration thereof in the deeds office.

Trade and other payables

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

Restricted cash

Restricted cash comprises monies held for specific use and subject to external restrictions or contractually guaranteed to other parties and is not available for immediate or general business use. Restricted cash is initially and subsequently measured at amortised cost which approximates fair value.

Development loans and facilities

Development loans and facilities payable and receivable are initially measured 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 the loans are recognised over the term of the loan in accordance with the group's accounting policy for borrowing costs.

Accounting policies (continued)

1.9 Hedge accounting

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Cash flow hedges

Other financial liabilities comprises of an interest rate swap. The Group uses a derivative financial instrument to partially hedge its exposure to variable interest rate risks arising from long term financing activities in accordance with its treasury policy. The hedge relationship of the derivative is designated as a hedge for IFRS purposes and is accounted for as fair value through OCI. Derivative financial instruments are recognised initially at fair value at the date the derivative contracts are entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for through OCI. The fair value of derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the reporting date.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to developments under construction in the periods when the hedged item incurs a cash flow.

1.10 Tax

Current tax assets and liabilities

Current 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

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Accounting policies (continued)

1.10 Tax (continued)

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company.

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 which is recognised, in the same or a different period, to other comprehensive income, or
- an over/under provision of tax may be recorded in the current period but relate to the prior period. This may occur where the final tax which had been assessed by SARS is different to that of the initial recording in the prior year financial statements.

1.11 Developments under construction

Developments under construction comprise the cost of the land, development rights and construction related expenditure which comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Developments under construction are stated at the lower of cost and net realisable value.

Cost includes all of the expenditure which is directly attributable to the acquisition of the land or construction of residential estates/apartments, including the capitalisation of borrowing costs that are incurred on the development loans. The construction of residential estates/apartments is a qualifying asset in terms of IAS 23, *Borrowing costs*, and accordingly borrowing costs are capitalised to the extent that they are directly attributable to the acquisition and construction of the estate/apartment. Refer to the accounting policy in note 1.19 for further detail on borrowing costs.

Although the operating cycle for developments under construction is considered to be longer than 12 months due to the fact that they are held primarily for the purposes of trading and are expected to be realised in the entity's normal operating cycle, the asset is classified as current in accordance with the presentation requirements of IAS 1, *Presentation of Financial Statements*. The operating cycle is normally between four to ten years.

1.12 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists then the assets recoverable amount is estimated.

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 and is recognised immediately in profit or loss.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated and the expense recorded in profit or loss. Any subsequent reversal of impairments is recorded as a credit in operating expenses in profit or loss.

Accounting policies (continued)

1.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the event a sale is not concluded within one year. Management will assess whether the non-current asset still meets the criteria to be held for sale. In its assessment management will consider if the delay in sale is due to developments outside the entity's control and if management still considers the sale as highly probable and the asset continues to be available for immediate sale in its current condition.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated while it is classified as held for sale.

1.14 Share capital and equity

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

Ordinary shares

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Treasury shares

Ordinary shares in Balwin Properties Limited which have been acquired by the group in terms of an approved share repurchase programme, are classified as treasury shares. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. When treasury shares are sold or reissued the amount received is recognised as an increase in equity and the resulting surplus or deficit over the cost of these shares on the transaction is transferred to or from distributable reserves.

The group treats shares issued as part of the BEE transaction as treasury shares. This is due to the risk and rewards associated with the ownership of the shares not yet transferred, and thus being treated as the grant of an in-substance option.

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 are not discounted.

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

The expected costs of bonus payments and leave pay are recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. The respective costs are disclosed as employee benefits in the financial statements.

1.16 Revenue

Revenue from contracts with customers

The group recognises revenue from the following major sources:
- Revenue from the sale of developed residential apartments;
- Bond commission;
- Rental of electronic communication.

Accounting policies (continued)

1.16 Revenue (continued)

Other revenue

The group recognises other revenue from:
- Rental income;
- Rendering of services to residential developments; and
- Donation income.

Rental income comprises of rental and other income received, excluding Value Added Tax. Rental income from investment property is recognised in profit or loss, this is revenue recognised over the rental period. The majority of rental agreements cover a period of less than 12 months and accordingly the impact of straight lining is not material.

Rendering of services to residential developments comprises of commission received from financial service provider for policies sold to clients, membership income and other income generated from the rental of facilities with the Balwin Lifestyle centres, service fee receivable from body corporates where Balwin maintained and services security infrastructure and reselling of electricity and other income from residents living in the developments.

Donation income is recognised in profit or loss when the group's right to receive payment has been established. This represents the date on which control is transferred. Donations are received by The Balwin Foundation NPC.

Revenue is recognised at a point in time on the following basis:
- Given the nature of the core operations of the company, revenue from the sale of apartments is based on a contract with the customer. The only performance obligation pertains to the successful handover of the apartment to the buyer which will only take place provided that financial guarantees are in place or the registration of the apartment in the deeds office. This represents the date on which control of the apartment transfers to the customer. Payment is due to the company upon the registration of the apartment, or, if earlier, the handover date. The transaction price is defined per the sales agreement.
- The group earns bond commission from contractual commission arrangements with bond granters based on the underlying value of the funding procured. Balwin has an in-house bond origination department that co-ordinates and facilitates mortgages on behalf of financial institutions. The performance obligation is satisfied upon the registration of the bond, which represents the timing of the transfer of control.

Revenue is recognised over time on the following basis:
- Revenue derived from the rental of electronic communication is determined on a contractual basis between Balwin Fibre Proprietary Limited and the respective internet service provider. The contracts between Balwin Fibre Proprietary Limited and the internet service providers are on a month-to-month basis and can be terminated by either party by giving one months' notice. Revenue is recognised over time as the services are provided. A fixed fee is charged to the internet service provider for each fibre line used. The group applies the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the group’s performance completed to date.

IFRS 15 uses the terms "contract asset" and "contract liability" to describe what might more commonly be known as "accrued revenue" and "deferred revenue". The group only has contract liabilities as the group's rights to considerations due are unconditional.

The group shall present the contract as a contract liability when it receives a pre-payment from a customer subject to all performance obligations being fulfilled. A contract liability is the group's obligation to transfer the apartment to a customer for which the group has received consideration.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The group has determined that its contracts with customers do not contain a significant financing component.

1.17 Other income

Other income includes other items of income not derived from the main activities of the group. Interest income is recognised as interest accrues using the effective interest method.

Accounting policies (continued)

1.18 Occupational interest

Occupational interest represents money collected from apartments handed over but not yet registered. Refer to note 27.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction 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 construction of residential estates/apartments is a qualifying asset in terms of IAS 23. The amount of borrowing costs eligible for capitalisation is determined based on the actual borrowing costs on development loans specifically borrowed for the purpose of the acquisition and construction of the estate/apartment less any temporary investment of those borrowings.

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

1.20 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction and translated at the end of the reporting period at the appropriate rate of conversion. Any exchange differences are recognised in profit or loss in the period in which they arise.

1.21 Share based payments

The group issued equity settled options to executives and senior management as part of the long term incentive program. Allowance is made for the offer of rights in the form of bonus shares, performance shares and/or retention shares. Equity settled share based payments are measured at fair value on grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period and a corresponding share based payment reserve is recognised in the statement of financial position. The options were priced using a 30-day volume weighted average share price.

1.22 Expenses

Expenses, other than those specifically dealt with in another accounting policy, are recognised in profit or loss when incurred.

1.23 Segmental reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the groups other components. An operating segment’s operating results are reviewed regularly by the Groups Executive Committee (chief operating decision maker(CODM)) to make key operating decisions, allocation of resources to the segment and assess performance, and for which distinct financial information is available. Refer to note 40 for further details.

1.24 Earnings per share

The calculation of earnings per share is based on profit for the period attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period. Headline earnings per share are calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants.

1.25 Dividends

Dividends are accounted for on the date of declaration and are not accrued as a liability in the financial statements until declared.

Notes to the financial statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements.

The impact of the amendment is not material.

Notes to the financial statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods from the 2025 financial year:

Classification of Liabilities as Current or Non-Current - Amendments to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Notes to the financial statements

3. Property, plant and equipment

Group	2024			2023		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings	263 661	(12 600)	251 061	247 926	(7 257)	240 669
Plant and machinery	122 988	(39 127)	83 861	100 840	(29 093)	71 747
Furniture and fixtures	8 652	(5 434)	3 218	8 378	(4 965)	3 413
Motor vehicles	20 122	(14 485)	5 637	20 602	(12 698)	7 904
Office equipment	4 335	(3 349)	986	3 477	(3 224)	253
Computer equipment	21 333	(13 685)	7 648	14 370	(10 871)	3 499
Solar assets	31 628	(2 346)	29 282	-	-	-
Right-of-use asset - office building	3 977	(3 844)	133	3 977	(3 049)	928
Total	**476 696**	**(94 870)**	**381 826**	**399 570**	**(71 157)**	**328 413**

Company	2024			2023		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings	9 037	(2 786)	6 251	9 037	(2 334)	6 703
Leasehold improvements	65 566	(6 613)	58 953	65 566	(2 239)	63 327
Plant and machinery	2 653	(2 443)	210	2 888	(2 489)	399
Furniture and fixtures	7 694	(5 115)	2 579	7 369	(4 746)	2 623
Motor vehicles	18 994	(13 777)	5 217	19 209	(11 968)	7 241
Office equipment	4 335	(3 349)	986	3 467	(3 215)	252
Computer equipment	20 963	(13 452)	7 511	14 061	(10 718)	3 343
Solar assets	21 164	(2 036)	19 128	-	-	-
Right-of-use asset - office building	141 419	(18 081)	123 338	150 830	(8 128)	142 702
Total	**291 825**	**(67 652)**	**224 173**	**272 427**	**(45 837)**	**226 590**

Reconciliation of property, plant and equipment

	2024					
Group	Opening balance R'000	Additions R'000	Disposals R'000	Transfers^ R'000	Depreciation R'000	Closing balance R'000
Land and buildings	240 669	12 220	-	3 803	(5 631)	251 061
Plant and machinery	71 747	20 549	-	1 783	(10 218)	83 861
Furniture and fixtures	3 413	1 360	(616)	-	(939)	3 218
Motor vehicles	7 904	568	(345)	-	(2 490)	5 637
Office equipment	253	1 035	-	-	(302)	986
Computer equipment	3 499	7 233	(65)	-	(3 019)	7 648
Solar assets	-	5 462	-	25 940	(2 120)	29 282
Right-of-use asset - office building	928	-	-	-	(795)	133
	328 413	**48 427**	**(1 026)**	**31 526**	**(25 514)**	**381 826**

^ Transfers of R31.5 million were made from developments under construction to property, plant and equipment.

Notes to the financial statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment (continued)

	2023						
Group (continued)	Opening balance R'000	Additions R'000	Disposals R'000	Cancelled leases R'000	Transfers* R'000	Depreciation R'000	Closing balance R'000
Land and buildings	7 271	184 014	-	-	54 756	(5 372)	240 669
Leasehold improvements	54 756	-	-	-	(54 756)	-	-
Plant and machinery	61 714	18 980	(127)	-	-	(8 820)	71 747
Furniture and fixtures	1 285	2 865	(1)	-	-	(736)	3 413
Motor vehicles	6 309	4 417	(511)	-	-	(2 311)	7 904
Office equipment	341	132	-	-	-	(220)	253
Computer equipment	3 999	1 849	(168)	-	-	(2 181)	3 499
Right-of-use asset - office building	123 722	-	-	(120 494)	-	(2 300)	928
	259 397	**212 257**	**(807)**	**(120 494)**	**-**	**(21 940)**	**328 413**

* Transfers relates to the re-classification of leasehold improvement costs to land and buildings, as a result of the acquisition of the head office building in Melrose, Johannesburg. Refer to note 19 for further details.

	2024						
Company	Opening balance R'000	Additions R'000	Disposals R'000	Lease modification R'000	Transfers^ R'000	Depreciation R'000	Closing balance R'000
Land and buildings	6 703	-	-	-	-	(452)	6 251
Leasehold improvements	63 327	-	-	-	-	(4 374)	58 953
Plant and machinery	399	20	-	-	-	(209)	210
Furniture and fixtures	2 623	780	(28)	-	-	(796)	2 579
Motor vehicles	7 241	396	(132)	-	-	(2 288)	5 217
Office equipment	252	1 035	-	-	-	(301)	986
Computer equipment	3 343	7 140	(33)	-	-	(2 939)	7 511
Solar assets	-	5 462	-	-	15 702	(2 036)	19 128
Right-of-use asset - office building	142 702	-	-	(9 411)	-	(9 953)	123 338
	226 590	**14 833**	**(193)**	**(9 411)**	**15 702**	**(23 348)**	**224 173**

	2023						
Company	Opening balance R'000	Additions R'000	New leases R'000	Disposals R'000	Cancelled leases R'000	Depreciation R'000	Closing balance R'000
Land and buildings	7 158	-	-	-	-	(455)	6 703
Leasehold improvements	54 756	10 810	-	-	-	(2 239)	63 327
Plant and machinery	467	119	-	-	-	(187)	399
Furniture and fixtures	1 056	2 229	-	(23)	-	(639)	2 623
Motor vehicles	5 926	3 741	-	(285)	-	(2 141)	7 241
Office equipment	338	132	-	-	-	(218)	252
Computer equipment	3 961	1 665	-	(165)	-	(2 118)	3 343
Right-of-use asset - office building	123 722	-	146 854	-	(120 494)	(7 380)	142 702
	197 384	**18 696**	**146 854**	**(473)**	**(120 494)**	**(15 377)**	**226 590**

^ Transfers were made from developments under construction to property, plant and equipment.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

3. Property, plant and equipment (continued)

The depreciation charge on items of property, plant and equipment that are directly attributable to the construction of residential apartments are capitalised to developments under construction. In the current year, R0.2 million was capitalised (2023: R0.2 million).

Details of properties

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Property 1				
105 Corlett Drive, Erf 108, Birnam, Gauteng				
- Purchase price: 24 August 2022	125 803	125 803	-	-
- Additions since purchase or valuation	121 193	112 972	-	-
	246 996	**238 775**	**-**	**-**
Property 2				
Unit 5 and 6 Corporate Park, 11 Senembe Crescent, La Lucia Ridge				
- Purchase price: 13 June 2017	9 037	9 037	9 037	9 037
Property 3				
Erf 14 Ballitoville, KwaZulu Natal				
- Purchase price: 1 March 2022*	7 628	-	-	-

* During the current year the property was transferred from developments under construction to property, plant and equipment.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company. A mortgage is registered over 105 Corlett Drive, Erf 108, Birnam. No other item of property, plant and equipment acts as security.

4. Investment property

The group holds 215 apartments in its Greenpark development and 61 room hotel at its Blyde development as investment property through its subsidiaries, Balwin Rentals Proprietary Limited and Balwin Hotel - The Blyde Proprietary Limited respectively. The company does not hold any investment property as all apartments are developed for the purpose of sale.

Group	2024			2023		
	Fair value R'000	Accumulated fair value adjustments R'000	Carrying value R'000	Fair value R'000	Accumulated fair value adjustments R'000	Carrying value R'000
Investment property	214 631	-	214 631	153 020	-	153 020
Investment property under development	5 744	-	5 744	-	-	-
Total	**220 375**	**-**	**220 375**	**153 020**	**-**	**153 020**

Notes to the financial statements

4. Investment property (continued)

Reconciliation of investment property and investment property under development

Group	2024 Opening balance R'000	Additions R'000	Fair value adjustments R'000	Closing balance R'000
Investment property	153 020	61 611	-	214 631
Investment property under development	-	5 744	-	5 744
	153 020	**67 355**	**-**	**220 375**

Group	2023 Opening balance R'000	Additions through business combinations R'000	Fair value adjustments R'000	Closing balance R'000
Investment property	-	149 752	3 268	153 020

The investment property has been mortgaged to secure borrowings. Refer to note 18.

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Details of investment property				
Investment property				
Property 1				
Sectional Scheme, Greenpark, Boksburg, Johannesburg, Gauteng				
- Cost	149 752	149 752	-	-
- Fair value adjustments	3 268	3 268	-	-
	153 020	**153 020**	**-**	**-**
Property 2				
Sectional Scheme, The Blyde, Willow Park Manor, Pretoria, Gauteng				
- Purchase price: 30 October 2023	61 611	-	-	-

Registers with details of the buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Details of valuation

The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum. The valuations performed in the prior year were reviewed by the executive directors and deemed to still be appropriate for the current year, following the reperformance of an internal valuation.

The rental portfolio was valued by management in 2024 (2023: external valuation by Reality Arena).

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

4. Investment property (continued)

The method used to value the property are unobservable inputs to reflect the rental income, selling price and other assumptions that market participants would make use of when pricing the investment property under current market conditions.

The fair value of the rental portfolio and the hotel were determined by making use of generally acceptable valuation principles and techniques which are compliant with the international valuation standards.

The fair value of the rental portfolio was determined by making use of the income capitalisation approach. This is the fundamental basis on which income producing properties are traded in the South African market. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market.

The group's rental rates have been compared to that of comparable rental companies and has been concluded to be charged at market rate.

At year end, there was no evidence that future-looking information would require a change in the valuation assumptions of the portfolio. Occupancies and collections remained strong for the 2024 financial year amidst a difficult economic climate.

No fair value gain was recognised in the current year in relation to investment property (2023: R3.3 million).

The following key assumptions were used to determine the fair value of the properties:

Expected net operating income
The expected annual net operating income from the rental portfolio is R12.2 million.

Capitalisation rate
The capitalisation rate determined amounted to 8%. The capitalisation rate was derived using an appropriate risk free rate and adjusting for property related risks together with property specific aspects such as vacancy rate, geographic location, economic climate, stability of tenants, length of lease and cost of placements.

Fair value hierarchy
The fair value of investment property is determined either through an external valuation performed by an independent accredited property valuer or by the executive directors. The valuations have been determined based on the income capitalisation method and a market comparable sales methodology respectively.

The level in the fair value hierarchy within which the fair value measurement is categorised shall be determined on the basis of the lowest level input that is significant to the fair value measurement. The table below analyses investment property carried at fair value. The fair value hierarchy has the following levels:

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

Investment properties are valued using a level 3 model.

Amounts recognised in profit and loss for the year

Rental income from investment property	18 720	9 095	-	-
Direct operating expenses from rental generating property	(9 634)	(3 035)	-	-
	9 086	**6 060**	**-**	**-**

All investment properties generated rental income during the financial year.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

4. Investment property (continued)

Fair value sensitivity analysis
The valuations of investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the fair value of the investment property and fair value adjustments in the statement of profit or loss and other comprehensive income. Management has performed a sensitivity analysis on these valuation inputs to illustrate that changes may result in a significantly higher or lower fair value measurement. Owing to the valuation method used to value the hotel, sensitivity analysis was only done on investment property 1. The effect of changes in those measurements on profit or loss and fair value are as follows:

Increase in income +100bps	1 516	1 530	-	-
Decrease in income -100bps	(1 516)	(1 530)	-	-
Increase in capitalisation rate +25bps	(4 594)	(4 637)	-	-
Decrease in capitalisation rates -25bps	4 890	4 936	-	-

The hotel started trading in September 2023 with strong demand observed over weekends and the holiday periods. However due to limited seasonality trading data the rooms were valued on a market comparable sale if converted to residential accommodation. The fair value based on this methodology is R61.6 million.

The property under development was valued at cost due to the project being in an early stage of development. The fair value cannot be reliably measured.

5. Intangible assets

Group	2024			2023		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Licenses	31	(18)	13	31	(15)	16
Computer software	20 433	(11 405)	9 028	14 961	(5 577)	9 384
Solar infrastructure contributions	15 573	(2 488)	13 085	15 515	(1 634)	13 881
Total	**36 037**	**(13 911)**	**22 126**	**30 507**	**(7 226)**	**23 281**

Company	2024			2023		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Licenses	31	(18)	13	31	(15)	16
Computer software	17 240	(9 566)	7 674	12 205	(4 547)	7 658
Solar infrastructure contributions	15 573	(2 488)	13 085	15 515	(1 634)	13 881
Total	**32 844**	**(12 072)**	**20 772**	**27 751**	**(6 196)**	**21 555**

Notes to the financial statements

5. Intangible assets (continued)

Reconciliation of intangible assets

Group	2024				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	16	-	-	(3)	13
Computer software	9 384	5 472	-	(5 828)	9 028
Solar infrastructure contributions	13 881	7 035	(6 800)	(1 031)	13 085
	23 281	**12 507**	**(6 800)**	**(6 862)**	**22 126**

Group (continued)	2023				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	19	-	-	(3)	16
Computer software	7 888	5 552	-	(4 056)	9 384
Solar infrastructure contributions	8 795	5 989	-	(903)	13 881
	16 702	**11 541**	**-**	**(4 962)**	**23 281**

Company	2024				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	16	-	-	(3)	13
Computer software	7 658	5 034	-	(5 018)	7 674
Solar infrastructure contributions	13 881	7 035	(6 800)	(1 031)	13 085
	21 555	**12 069**	**(6 800)**	**(6 052)**	**20 772**

Company	2023				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	19	-	-	(3)	16
Computer software	6 726	4 413	-	(3 481)	7 658
Solar infrastructure contributions	8 795	5 987	-	(901)	13 881
	15 540	**10 400**	**-**	**(4 385)**	**21 555**

Balwin Properties Limited holds a licence allowing for the provision of electronic communication services. The licence fee is amortised over the period of the licence. The licence has a useful life of 10 years and can be renewed at the end of the period. The remaining useful life of the licences is 4 years (2023: 5 years) at year end. The licence has been granted to Balwin Properties Limited, however, the terms of the licence allow the subsidiaries of Balwin Properties Limited to provide all or any services together with all or any other rights granted to it under the licence.

5. Intangible assets (continued)

The company contributes to the capital solar infrastructure costs of Smart PV Proprietary Limited, a company engaged in the installation of solar which generates renewable energy. Balwin have contractual rights to participate in 33% of the net revenue of this company. Despite its net revenue share in Smart PV Proprietary Limited, Balwin neither holds equity instruments in nor has any Board representation on Smart PV Proprietary Limited. The purpose of the capital contributions enables Balwin to procure exclusive right of solar power in the respective developments for the duration of the contract. The capital contributions are amortised over the shorter of the useful life of the infrastructure or the term of the contract period being 15 years. Accordingly, the solar infrastructure contributions are amortised over the useful life of the infrastructure. The remaining useful life of the solar infrastructure contributions is 12 years (2023: 13 years) at year end.

The computer software balance consists of software development costs incurred by the group for external and internal software. The average remaining useful life of computer software is 1.33 years (2023: 1.8 years) at year end.

6. Investments in subsidiaries

Balwin Properties Limited holds the following investments in subsidiaries either directly or indirectly:

Company Name of company	% holding 2024	% holding 2023	Carrying amount 2024 R'000	Carrying amount 2023 R'000
Directly				
Balwin Annuities Proprietary Limited	100 %	100 %	5 655	5 655
Waltiq Proprietary Limited	- %	100 %	-	*
Unlocked Properties 16 Proprietary Limited	100 %	100 %	*	*
Indirectly through Balwin Annuities Proprietary Limited				
Balwin Fibre Proprietary Limited	90 %	90 %	*	*
Balwin Signage and Towers Proprietary Limited	100 %	100 %	*	*
Balwin Hotel - The Blyde Proprietary Limited	100 %	100 %	*	*
(formerly Balwin Property Management Proprietary Limited)				
Balwin Rentals Proprietary Limited	100 %	100 %	*	*
Balwin Technik Proprietary Limited **	50 %	50 %	*	*
Balwin Mortgages Proprietary Limited	100 %	100 %	*	*
Balwin Financial Services Proprietary Limited	100 %	100 %	*	*
Balwin Approved Proprietary Limited	100 %	100 %	*	*
(formerly Balwin Education Proprietary Limited)				
Balwin Connect Proprietary Limited	100 %	100 %	*	*
Balwin Education Operations Proprietary Limited	100 %	100 %	*	*
Balwin Education Propco (NPC)	100 %	100 %	*	*
Balwin Commercial Proprietary Limited	100 %	100 %	*	*
Balwin WC Office Proprietary Limited	100 %	100 %	*	*
Balwin KZN Office Proprietary Limited	100 %	100 %	*	*
Balwin Head Office JHB Proprietary Limited	100 %	100 %	*	*
Balwin Lifestyle Proprietary Limited	100 %	100 %	*	*
Balwin Lifestyle Operations Proprietary Limited	100 %	100 %	*	*
Balwin Lifestyle Propco Proprietary Limited	100 %	100 %	*	*
Balwin Padel Proprietary Limited	100 %	100 %	*	*
(formerly Balwin Energy Proprietary Limited)				
Balwin Maintenance Proprietary Limited	100 %	100 %	*	*
(formerly Balwin Energy Propco Proprietary Limited)				
Green Living Proprietary Limited	100 %	100 %	*	*
			5 655	5 655

* denotes a value of less than R1 000

6. Investments in subsidiaries (continued)

** Balwin Annuities has full control of the company through its ability to direct the relevant activities of Balwin Technik and controls the decision making process of the company.

Waltiq Proprietary Limited was deregistered during the current year.

All the subsidiaries have a February year end and are incorporated in South Africa.

Nature of business of subsidiaries

Subsidiary / Cluster name	Nature of services
Balwin Annuities	Investment holding company
Balwin Fibre	Fibre infrastructure and related services
Balwin Mortgages	Source and facilitate mortgage bonds
Green Living	Supply clean energy and treated water
Balwin Rentals	Residential property rental
Balwin Commercial	Commercial property investment and management
Balwin Lifestyle	Management of lifestyle amenities within developments
Balwin Technik	Security and access control supply and services
Balwin Financial Services	To facilitate the provision of value-adding financial products and services
Balwin Signage and Towers	Rental of digital advertising and cell tower infrastructure
Balwin Connect	Internet service provider
Balwin Padel	Sport equipment e-commerce
Balwin Maintenance	Provide maintenance services to body corporates
Balwin Approved	Resale of 2nd hand Balwin Apartments
Balwin Hotel - The Blyde	Leisure short-term property rental
Unlocked Properties 16	Dormant

Included in the consolidated financial statements of the group are the results of The Balwin Foundation NPC, a non-profit company incorporated and domiciled in South Africa. Although not a subsidiary, The Balwin Foundation NPC has been consolidated as it is considered to be controlled by the group as the group has the ability to appoint the directors of Balwin Foundation NPC. The Balwin Foundation NPC supports and empowers the younger generation and previously disadvantaged to gain greater knowledge and skills through technical vocational education and training of industry-related trades.

There are no significant restrictions on the ability to access assets and or settle the liabilities of the subsidiaries.

Subsidiaries with non-controlling interests

Summarised statement of financial position

	Balwin Fibre		Balwin Technik	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Assets				
Non-current assets	77 654	72 543	47	567
Current assets	15 351	13 386	6 460	3 601
Total assets	**93 005**	**85 929**	**6 507**	**4 168**
Liabilities				
Non-current liabilities	101	80	-	-
Current liabilities	73 211	75 022	3 857	3 151
Total liabilities	**73 312**	**75 102**	**3 857**	**3 151**
Total net assets	**19 693**	**10 827**	**2 650**	**1 017**

6. Investments in subsidiaries (continued)

Summarised statement of profit or loss and other comprehensive income

	Balwin Fibre		Balwin Technik	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue	53 311	43 124	12 639	5 183
Other income and expenses	(41 166)	(32 195)	(10 402)	(3 771)
Profit before tax	**12 145**	**10 929**	**2 237**	**1 412**
Tax expense	(3 279)	(3 060)	(604)	(395)
Profit for the year	**8 866**	**7 869**	**1 633**	**1 017**
Profit allocated to non-controlling interest	**887**	**578**	**817**	**509**

Balwin Fibre and Balwin Technik paid no dividends to the non-controlling shareholders during the year (2023: Rnil). The non-controlling shareholders' share of equity amounted to R3.3 million (2023: R1.6 million) at the reporting date and its share of profit for the year amounted to R1.7 million (2023: R1.1 million).

Summarised statement of cash flows				
Cash flows from operating activities	14 480	16 052	1 171	(3 418)
Cash flows from investing activities	(15 941)	(19 041)	548	(548)
Cash flows from financing activities	-	3 531	(1 890)	5 012
Net (decrease) / increase in cash and cash equivalents	(1 461)	542	(171)	1 046

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

7. Loans to external parties

Enterprise development loans	8 664	8 664	8 664	8 664

The group has granted enterprise development loans to selected external parties. The loans are repayable 5 years from the initial advance of the funding and do not bear interest. The directors consider the carrying amounts of the loans to approximate their fair values. Management has quantified the discounting of the loans as well as the expected credit loss allowance and has concluded it to be immaterial.

8. Other financial assets and (liabilities)

Hedging derivatives				
Interest rate swap	1 267	(684)	1 267	(684)

The Group measured its derivative financial instruments which relate to interest rate swaps at fair value at year end. The fair value is based on a Level 2 fair value measurement hierarchy, measured with reference to models with observable market inputs, such as benchmark interest rates, yield or swap curves rates based on mid-market levels. Interest rate swaps are calculated using the net present value that the Group would pay or receive from the swap counterparty based on current interest rates. Interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates. Refer to note 35 for further details.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

9. Deferred taxation

Deferred tax asset

Deferred taxation on available taxation losses	11 413	6 778	-	-

Deferred taxation liability

Deferred taxation on deferred revenue	10	10	-	-
Deferred taxation on employee benefits and allowances	7 876	21 470	7 857	20 656
Developments under construction allowance	(312 101)	(267 627)	(312 101)	(267 627)
Deferred taxation on capital allowances	(43 765)	(27 690)	(28 091)	(17 099)
Deferred taxation on interest rate swap	(343)	191	(343)	191
Deferred tax on accrued income	(781)	(731)	-	-
Right-of-use assets and liabilities	448	251	5 266	2 422
Consolidation adjustments to deferred tax	577	762	-	185
Total deferred taxation liability	**(348 079)**	**(273 364)**	**(327 412)**	**(261 272)**

Deferred tax asset	11 413	6 778	-	-
Deferred tax liability	(348 079)	(273 364)	(327 412)	(261 272)
Total net deferred tax liability	**(336 666)**	**(266 586)**	**(327 412)**	**(261 272)**

Reconciliation of deferred taxation liability

At beginning of year	(266 586)	(238 540)	(261 272)	(238 607)
Deferred taxation on employee benefits and allowances	(13 594)	6 180	(12 799)	5 457
Deferred taxation on developments under construction	(44 474)	(17 935)	(44 474)	(17 935)
Deferred taxation on capital allowances	(16 075)	(22 894)	(10 992)	(12 303)
Deferred taxation on interest rate swap	(534)	191	(534)	191
Deferred taxation on accrued income	(50)	(697)	-	-
Deferred taxation on available taxation losses	4 635	6 778	-	-
Deferred taxation on right-of-use assets and liabilities	197	(431)	2 844	1 740
Consolidation adjustments to deferred tax	(185)	762	(185)	185
At the end of the year	**(336 666)**	**(266 586)**	**(327 412)**	**(261 272)**

Deferred taxation has been calculated at the standard corporate taxation rate as at the reporting date as management expect to recover the carrying value of assets through use. Deferred taxation assets are raised after due consideration of future taxable income.

In the previous financial year the corporate tax rate was changed from 28% to 27%. The new rate is effective for tax years ending 31 March 2023. The deferred tax balance has been calculated by applying the new rate, taking the expected timing of reversal of deferred tax components into consideration. This resulted in a R9.7 million reduction of the deferred taxation liability in the prior year.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

10. Developments under construction

Developments under construction	6 342 225	5 734 382	6 349 730	5 740 393

Developments under construction include the following:				
Cost of construction	3 388 468	2 906 124	3 395 973	2 912 135
Land and contribution costs	2 466 736	2 338 327	2 466 736	2 338 327
Development rights	487 021	489 931	487 021	489 931
	6 342 225	**5 734 382**	**6 349 730**	**5 740 393**

Development rights pertains to the rights assigned to Balwin, including all the rights to use the Polofields and Waterfall Fields properties in Johannesburg for the purpose of undertaking the developments located on those land parcels. Balwin does not hold title of the land located at Waterfall but rather the development rights.

The cost of developments under construction recognised as an expense in cost of sales during the current year was R1 681.3 million (2023: R2 359.5 million). Costs previously capitalised to developments under construction written off in the current year amount to R1.9 million (2023: RNil). The carrying amount of land which acts as security for development loans advanced is R1 434.5 million (2023: R1 448.4 million). Refer to note 28 for disclosure on the borrowing costs incurred and capitalised to developments under construction for the year.

A mortgage bond is in place over certain portions of land which acts as security for the development loans advanced (refer to note 18).

Notes to the financial statements

10. Developments under construction (continued)

At year end, the following mortgage bonds were registered:

Land	Value of mortgage bond 2024 R'000	2023 R'000
Remainder of Erf 3440 Umhlanga Rocks	200 000	200 000
Erf 749 and Erf 750 Oakdene Extension 19 Township Registration Division IR, Province of Gauteng in extent 52739 and 69982	25 000	25 000
Real Right of Extension in relation to Zwartkoppies Extension 45 Township, Real Right of Extension in relation to Zwartkoppies Extension 46 Township and Real Right of Extension in relation to Zwartkoppies Extension 47	65 000	-
Remainder of Erf 4484, Ballitoville, Registration Division FU, Kwa-Zulu Natal	500 000	500 000
Portion 1 of Erf 4656 Ballitoville, Kwadukuza	190 579	190 579
Portion 21 of Erf 27, Cornubia, Registration Division FU, Kwa-Zulu Natal	300 000	300 000
Portion 1 of Holding 20, Holdings 21, 22, 23, 24, 25, 26, 27; Holding 34, Linbro Park Agricultural Holdings	224 385	224 385
Remaining Extent of Portion 241 (a portion of portion 6) of the Farm Zwartkoppies 364	330 000	-
Erf 10092 Macassar	220 000	220 000
Retention of a first covering notarial deed of lease over Portion 822 (a portion of portion 62) of the Farm Waterval	400 000	400 000
Erf 1714, 1749, 1750 and 2113 Sitari, City of Cape Town	150 000	150 000
Remaining Extent of Erf 1 Sandown	300 000	300 000
Proposed portion 10, 11, 12, 62, 82 & 117 of the Farm Saxenburg No 419 Stellenbosch	210 000	-
Erf 1737 Zwartkoppies Extension 45 in extent 531653 hectares	300 000	300 000
Remaining extent of Portion 6 of the Farm Firland 959, Remaining of Portion 43, Portion 184 (a Portion of Portion 43) and Remaining extent of Portion 185 of the Farm Gustrouw No 918, City of Cape Town. Portion 360 (a Portion of Portion 198) of the Farm Firland 959, City of Cape Town	150 000	-
Portions 3, 4 and 6 of Erf 3465, Proposed RE of Erf 3457, Proposed RE of Erf 3434 and Erf 3456 of Umhlanga Rocks	400 000	400 000
Holding 92, 102, 103, 104, 105 and 106 Crowthorne Agricultural Holdings	187 256	187 256
Erf 140, 141, 149 and Linbro Park , Extension 169, City of Johannesburg	100 000	183 536
Remaining Extent of Portion 1077 of the Farm Rietfontein 375	200 000	200 000
Erf 17 41 Zwartkoppies Extension 46	-	108 333
The lease area over portion 865 (a portion of portion 1) of Farm Waterval 5, Registration Division I.R., Gauteng	500 000	500 000
Erf 17 41 Zwartkoppies Extension 47	-	108 333
Erf 17 40 Zwartkoppies Extension 46, Erf 17 45 Zwartkoppies Extension 47 and Remaining Extent of Portion 241 (a portion of portion 6) of the Farm Zwartkoppies 364	300 000	300 000
Portion 1046 of the Farm Rietfontein 375 J.R. Pretoria	210 000	210 000
Portion 62 (Portion of Portion 1) of the farm Rietfontein 375	218 000	218 000
Holdings 103 to 105 Linbro Park & Portion 250 (Portion of Portion 13) of the farm Modderfontein 35	300 000	300 000
Erf 5123 Strand, corner Gustrouw Road and Sir Lowry's Pass Road, in the City of Cape Town, Province of the Western Cape	180 000	180 000
Portion 133 of the Farm Rietvlei 101, Registration Division IR, Gauteng	250 000	250 000
Remainder of Portion 241 (A portion of Portion 6) of the Farm Zwartkoppies 364, Registration Division JR, Province of Gauteng in Extent 65	-	108 333
Erf 587 & 588 Lilianton Ext 10 and Erven 589 & 590 Lilianton Ext 11	100 000	100 000
Erf 92 Atlantic Hills	275 000	275 000
Erven 71 and 81 Atlantic Hills	275 000	275 000
	7 060 220	**6 713 755**

Refer to note 18 for the development loans and facilities.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

11. Loans to related parties

Subsidiaries

Balwin Annuities Proprietary Limited	-	-	116 648	42 569

Split between non-current and current portions

Non-current assets	-	-	-	-
Current assets	-	-	116 648	42 569
	-	**-**	**116 648**	**42 569**

The loan to Balwin Annuities Proprietary Limited is unsecured, interest free and has no fixed repayment terms. Management reviews the financial results and management accounts of the entity monthly. The entity does not have a history defaulting on its external and internal intercompany loans. Management expects the company to continue performing, and therefore, no expected credit losses have been recognised. Management have also considered macro-economic forward looking factors relating to these loans, however the expected credit loss remains negligible.

The loans to related parties are assessed on a regular basis and careful consideration is given to the forecasts of the business.

The carrying amount of the loans to related parties approximate their fair value.

12. Trade and other receivables

Financial instruments:				
Trade receivables	238 214	146 587	209 298	151 078
Accrued income	14 183	-	-	-
Trade receivables at amortised cost	252 397	146 587	209 298	151 078
Amounts due from transferring attorneys	3 052	5 692	3 052	5 692
Amounts due from body corporates	27 543	838	27 543	838
Amounts due from councils and municipalities	29 339	22 840	29 339	22 671
Other receivables	14 068	21 509	7 556	14 111
Deposits	14 069	29 550	13 907	29 550
Allowance for estimated credit losses	(9 247)	(9 943)	(8 637)	(4 778)
Non-financial instruments:				
Value added taxation receivable	9 984	-	-	-
Prepayments	8 504	1 829	7 104	-
Total trade and other receivables	**349 709**	**218 902**	**289 162**	**219 162**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	331 221	217 073	282 058	219 162
Non-financial instruments	18 488	1 829	7 104	-
	349 709	**218 902**	**289 162**	**219 162**

Trade receivables in the company relates to sales where registration of the apartment has not yet occurred, however, revenue has been recognised as the apartment has been handed over to the purchaser and the financial guarantees are in place for the full purchase price.

Amounts owing from transferring attorneys relate to the proceeds and releases that become due to the company upon the registration of apartments. These amounts are settled by the transferring attorney on registration and the balance represents the registrations that take place on the final days of the financial year.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

12. Trade and other receivables (continued)

Amounts due from body corporates pertains to financial assistance provided by the company to support the liquidity of the body corporate. During the current year R24.6 million related to the installation of generators. The amounts are repayable to the group when the body corporate is able to settle the obligation giving consideration to its own solvency and liquidity position. Balwin continues to provide financial oversight to the body corporate to ensure this position is attained in order for the loan to be settled. No interest is levied on the amount due, unless the body corporate is deemed to be in a position to settle the debt and does not do so. Interest levied to body corporates in the current and prior years is insignificant.

Amounts due from councils and municipalities pertain to costs incurred for contributions made for bulk services on behalf of the local municipality. The contributions are settled in full by council upon the performance by the developer of specified development related activities.

Trade and other receivables are assessed on a regular basis and provided for based on the expected credit loss categories as identified in note 1.8. Based on the nature of the operations of the group the credit risk associated with trade and other receivables is remote.

The directors consider the carrying amount of trade and other receivables to approximate their fair value due to the nature of the financial instrument.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if parties with an obligation to the group fail to make payments as they fall due.

An allowance of R9.2 million for credit losses have been raised (2023: R9.9 million) by the group. Refer to note 35 for reconciliation of the allowance for estimated credit losses.

13. Development loans receivable

Development loans receivable are presented at amortised cost, which is net of any loss allowance. There was no loss allowance recognised in the current year (2023: Rnil).

Development loans	1 840	27 021	1 840	27 021

The development loans represents the oversettlement of the development loan liability to the financial institution by the transferring attorney upon the registration of the apartments which acted as security for the development loan obligation. The development loans bear interest at prime linked rates and are expected to be repaid within a short time period and are therefore classified as current. Refer to note 18 for detail on the development loan obligation.

Due to the nature of the development loans receivable, the cash flows are reported on a net basis in the statement of cash flows. This is due to the fact that oversettlement of the repayment represents an activity of the transferring attorney and considering the short-term maturity of the receipts.

The directors consider the carrying amount of other financial assets to approximate their fair value. Due to the nature of the financial asset, the exposure to estimated credit losses is insignificant.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2	1	2	1
Bank balances	289 584	607 348	272 863	576 059
	289 586	**607 349**	**272 865**	**576 060**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

14. Cash and cash equivalents (continued)

The carrying amount of cash and cash equivalents approximate their fair value.

Guarantees and facilities in place on 29 February 2024:
(a) Letters of guarantee: R46 082 429

Guarantees and facilities in place on 28 February 2023:
(a) Letters of guarantee: R27 891 983

15. Restricted cash

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Restricted cash	-	164 376	-	164 376

In the prior year the restricted cash represented guarantees invested in ring-fenced call accounts in favour of third parties and debt service reserve accounts ceded in favour of general banking facilities.

During the year, management successfully negotiated with the lenders to settle this cash holding to avoid the negative finance cost drag, resulting from the differential of the return generated and the cost of holding the cash. The parameters of the debt service reserve account were replaced with an amortised repayment profile of the club loan facility.

The carrying amount of restricted cash balances approximated their fair value. Refer to note 35 for further details.

16. Non-current assets held for sale

Management executed on its plan to sell its head office building situated at Townsend Office Park due to the relocation of the Johannesburg head office to Corlett Drive.

In the prior year, management performed an internal valuation and no material change was noted when compared to the previous independent valuation done by Reality Arena CC, and the fair value of the building was determined to be R27.5 million. Management believed the costs to sell to be minimal, therefore, the fair value approximated the fair value less costs to sell.

Assets and liabilities

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Non-current assets held for sale				
Property, plant and equipment	-	26 061	-	26 061

17. Share capital

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Authorised				
Ordinary shares ('000)	1 000 000	1 000 000	1 000 000	1 000 000
Reconciliation of number of shares issued:				
Opening balance	465 209 430	469 821 820	465 209 430	469 821 820
Treasury shares issued to settle long-term incentive scheme	2 512 637	2 499 610	2 512 637	2 499 610
Purchase of shares	-	(7 112 000)	-	(7 112 000)
Treasury shares	4 470 525	6 983 162	4 470 525	6 983 162
Closing balance	**472 192 592**	**472 192 592**	**472 192 592**	**472 192 592**
Reconciliation of number of BEE ordinary shares issued:				
BEE shares *	47 219 260	47 219 260	47 219 260	47 219 260

17. Share capital (continued)

* On 6 September 2021, the shareholders approved the BEE transaction in which the group issued 10% of its shares to a BEE SPV. The BEE SPV subscribed for 47,219,260 ordinary shares in the issued share capital of the company. The subscription price payable for the subscription shares was the volume weighted average price (“VWAP”) of the company's ordinary shares on the exchange operated by the JSE less 20%, for the 30 trading days immediately preceding the date on which the last of the conditions precedent was fulfilled (6 September 2021).

The issue of shares to the BEE SPV was treated as an in-substance option which is within the scope of IFRS 2: Share-based payment. The fair value of the option at grant date was R57.9 million. The Black-Scholes model was used to determine the fair value of the option, based on appropriate assumptions which included:
- Term of the options
- Current/ spot price
- Exercise/ strike price
- Risk-free rate
- Volatility; and
- Dividend yield

The subscription price paid by the BEE SPV of R20 million was a premium paid by the BEE SPV to acquire the in-substance option. The premium reduced the IFRS 2 expense recognised. These shares have been treated as treasury shares. Further details of the transaction can be found on the circular issued on 26 July 2021.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Issued				
Ordinary shares	670 206	670 206	670 206	670 206
BEE shares	171 878	171 878	171 878	171 878
Treasury shares	(184 570)	(191 111)	(184 570)	(191 111)
	657 514	**650 973**	**657 514**	**650 973**

During the previous financial year, shares were repurchased in terms of Section 48 of the Companies Act as follows:

	Number of shares repurchased	Average price* R	Total value repurchased R'000
In terms of general authority granted by shareholders at the annual general meeting held on 19 August 2022	7 112 000	R 2.83	20 112

* the price includes transaction costs and associated fees.

The unissued shares are under the control of the directors until the next annual general meeting. The shares have no par value.

18. Development loans and facilities

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Development loans	2 034 294	1 469 175	2 034 294	1 469 175
General banking facility	661 857	858 930	661 857	858 930
Investment loan facility	376 746	628 414	-	276 751
	3 072 897	**2 956 519**	**2 696 151**	**2 604 856**

Notes to the financial statements

18. Development loans and facilities (continued)

2024
Development loans

	Average nominal interest rate	Maturity date	Group R'000	Company R'000
Non-current				
Century Property Developments Proprietary Limited	Prime	November 2027	203 205	203 205
Current				
ABSA Bank Limited	Prime	Between March 2024 and February 2025	395 592	395 592
ABSA Bank Limited	Prime less 0.25%	Between March 2024 and February 2025	675 991	675 991
ABSA Bank Limited	Prime less 1.00%	Between March 2024 and February 2025	39 996	39 996
First National Bank Limited	Prime	Between March 2024 and February 2025	59 822	59 822
First National Bank Limited	Prime less 0.50%	Between March 2024 and February 2025	168	168
Investec Bank Limited	Prime	Between March 2024 and February 2025	100 068	100 068
Investec Bank Limited	Prime less 0.25%	Between March 2024 and February 2025	96 576	96 576
Nedbank Limited	JIBAR 3MTH plus 3.053%	Between March 2024 and February 2025	35	35
Nedbank Limited	JIBAR 3MTH plus 3.069%	Between March 2024 and February 2025	947	947
Nedbank Limited	JIBAR 3MTH plus 3.076%	Between March 2024 and February 2025	33 673	33 673
Nedbank Limited	JIBAR 3MTH plus 3.291%	Between March 2024 and February 2025	89 117	89 117
Nedbank Limited	JIBAR 3MTH plus 3.344%	Between March 2024 and February 2025	14 322	14 322
Nedbank Limited	Prime	Between March 2024 and February 2025	45	45
National Housing Finance Corporation Limited	Prime	Between March 2024 and February 2025	15 166	15 166
Futuregrowth Asset Management Proprietary Limited	JIBAR 3MTH plus 3.75%	Between March 2024 and February 2025	47 040	47 040
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 4%	Between March 2024 and February 2025	259 539	259 539
Century Property Developments Proprietary Limited	Prime	February 2025	2 992	2 992
			1 831 089	**1 831 089**
Total development loans			**2 034 294**	**2 034 294**

Investment loans and general banking facilities
Non-current loans

Ninety One SA Proprietary Limited	JIBAR 3MTH plus 4.50%	April 2025	221 824	221 824
Stanlib Asset Management Proprietary Limited	JIBAR 3MTH plus 4.75%	April 2025	349 810	349 810
Sanlam Investment Management Proprietary Limited	JIBAR 3MTH plus 4%	April 2025	40 190	40 190
Investec Bank Limited	Prime less 1.0%	June 2028	166 100	-
Investec Bank Limited	Prime less 0.25%	December 2025	30 625	-
Nedbank Limited	JIBAR 3MTH plus 2.476%	December 2025	101 941	-
			910 490	**611 824**

18. Development loans and facilities (continued)

	Average nominal interest rate	Maturity date	Group R'000	Company R'000
Current loans				
Investec Bank Limited	Prime less 1.0%	June 2024	8 080	-
Nedbank Limited	Prime	March 2024	50 033	50 033
ABSA Bank Limited	Prime less 1.45%	No fixed terms of repayment	70 000	-
			128 113	**50 033**
Total investment loans and general banking facilities			**1 038 603**	**661 857**
Total development loans and facilities			**3 072 897**	**2 696 151**

2023

<u>Development loans</u>				
Non-current				
Deutsche Investitions-Und Entwicklungsgesellschaft MBH	Jibar 3MTH plus 6.9%	December 2026	75 000	75 000
Century Property Developments Proprietary Limited	Prime	November 2027	157 496	157 496
			232 496	**232 496**
Current loans				
ABSA Bank Limited	Prime less 0.25%	Between March 2023 and February 2024	291 309	291 309
ABSA Bank Limited	Prime	Between March 2023 and February 2024	412 613	412 613
Century Property Developments Proprietary Limited	Prime	February 2024	6 811	6 811
First National Bank Limited	Prime	Between March 2023 and February 2024	72 859	72 859
Futuregrowth Asset Management Proprietary Limited	JIBAR 3MTH plus 3.75%	Between March 2023 and February 2024	85 864	85 864
Investec Bank Limited	Prime less 0.25%	Between March 2023 and February 2024	83 827	83 827
Investec Bank Limited	Prime	Between March 2023 and February 2024	70 856	70 856
National Housing Finance Corporation Limited	Prime	Between March 2023 and February 2024	29 772	29 772
Nedbank Limited	Prime	Between March 2023 and February 2024	57 920	57 920
Nedbank Limited	JIBAR 3MTH plus 2.847%	Between March 2023 and February 2024	26 326	26 326
Nedbank Limited	JIBAR 3MTH plus 2.89%	Between March 2023 and February 2024	10	10
Nedbank Limited	JIBAR 3MTH plus 2.94%	Between March 2023 and February 2024	30 449	30 449
Nedbank Limited	JIBAR 3MTH plus 3.053%	Between March 2023 and February 2024	49 022	49 022
Nedbank Limited	JIBAR 3MTH plus 3.069%	Between March 2023 and February 2024	5 540	5 540
Nedbank Limited	JIBAR 3MTH plus 3.35%	Between March 2023 and February 2024	9 899	9 899
Nedbank Limited	JIBAR 3MTH plus 3.076%	Between March 2023 and February 2024	3 602	3 602
			1 236 679	**1 236 679**
Total development loans			**1 469 175**	**1 469 175**

Notes to the financial statements

18. Development loans and facilities (continued)

Investment loans and general banking facilities

	Average nominal interest rate	Maturity date	Group R'000	Company R'000
Non-current				
Ninety One SA Proprietary Limited	JIBAR 3MTH plus 4.75%	July 2026	298 644	298 644
Stanlib Asset Management Proprietary Limited	JIBAR 3MTH plus 4.75%	July 2026	499 783	499 783
Sanlam Investment Management Proprietary Limited	JIBAR 3MTH plus 4%	July 2026	60 503	60 503
Investec Bank Limited	Prime less 0.25%	June 2028	176 316	-
			1 035 246	**858 930**
Current loans				
Nedbank Limited	Prime less 0.6%	June 2023	39 243	-
Nedbank Limited	Prime less 0.6%	December 2023	61 540	-
ABSA Bank Limited	Prime	March 2023	257 305	257 305
ABSA Bank Limited	Prime less 1.45%	No fixed terms of repayment	70 000	-
Investec Bank Limited	Prime	August 2023	19 446	19 446
Investec Bank Limited	Prime less 0.25%	February 2024	4 564	-
			452 098	**276 751**
Total investment loans and general banking facilities			**1 487 344**	**1 135 681**
Total development loans and facilities			**2 956 519**	**2 604 856**

Please refer to note 35 for the maturity groupings of the financial liabilities of the group.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Split between non-current and current portions				
Non-current liabilities	1 113 695	1 267 742	815 029	1 091 426
Current liabilities	1 959 202	1 688 777	1 881 122	1 513 430
	3 072 897	**2 956 519**	**2 696 151**	**2 604 856**

Development loans include funding provided for top-structure funding as well as land and infrastructure loans. Top-structure funding payable to the financial institutions is secured by a pre-defined level of pre-sold apartments for which financial guarantees are in place. Land and infrastructure loans are secured by bonds registered over the land. Development loans are settled through the registration of the apartments that act as security.

The development loans payable to Century Property Developments Proprietary Limited have long-term repayment terms with fixed maturity dates. The loans reflect the discounted contractual cash flows and have been discounted at the average lending rate of the group.

Investment loans and general banking facilities pertain to asset backed lending, short-term bridging loan facilities secured by completed apartments not yet registered and long-term unsecured funding.

The carrying amount of development loans and facilities approximate their fair value. Refer to note 10 for disclosure of the mortgage bonds registered over the land acting as security for the loans. No breaches or funding or default on payments were incurred during the year.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

18. Development loans and facilities (continued)

The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa, however, there is currently no indication of when the designated successor rate will be made available.

19. Lease liabilities

The company has a lease agreement for the rental of office space for the Western Cape head office.

The group initially leased the head office building in Melrose, Gauteng from The Corlett Drive Trust. The lease was terminated in the prior year in accordance with the purchase agreement to acquire the building, which was acquired by Balwin Head Office JHB Proprietary Limited, a wholly owned subsidiary within the group, and leased to the company. As a result of this transaction a right of use asset and lease liability is recognised in the separate financial statements of the company. However, since the building is materially owner occupied it is accounted for as land and buildings in the consolidated financial statements of the group.

Management uses the incremental borrowing rate in calculating the right-of-use asset and lease liability at initial recognition. The lease term for each lease takes into account any renewal option to the extent that management believes the option will be exercised. Refer to note 1.6 for the group's accounting policy.

The maturity analysis of lease liabilities is as follows:

Within one year	194	1 151	12 399	12 453
Two to five years	-	194	59 399	55 193
More than five years	-	-	178 584	222 692
	194	1 345	250 382	290 338
Less finance charges component	(2)	(79)	(111 202)	(141 318)
	192	**1 266**	**139 180**	**149 020**
Non-current liabilities	-	191	138 988	147 945
Current liabilities	192	1 075	192	1 075
	192	**1 266**	**139 180**	**149 020**
Reconciliation of lease liabilities				
Opening balance	1 266	126 159	149 020	126 159
New leases	-	-	-	146 854
Interest accrued	77	4 069	11 882	10 600
Termination of a lease	-	(123 147)	-	(123 147)
Lease modification	-	-	(9 324)	-
Payment of capital portion	(1 074)	(1 746)	(516)	(846)
Payment of interest	(77)	(4 069)	(11 882)	(10 600)
Closing balance	**192**	**1 266**	**139 180**	**149 020**
Amount recognised in profit or loss				
Interest on lease liabilities	77	4 069	11 882	10 600
Depreciation on right-of-use asset - office building	795	2 301	9 953	7 380
Gain on termination of lease	-	(2 653)	-	(2 653)
Short term leases	2 155	1 097	2 111	997
	3 027	**4 814**	**23 946**	**16 324**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

20. Trade and other payables

Financial instruments:				
Trade payables	72 305	50 026	57 339	59 430
Development related accruals	43 820	27 623	34 633	25 465
Commission and incentive accruals	7 719	8 332	7 719	8 332
Deposits received	2 256	1 312	-	-
Non-financial instruments:				
Payroll accruals	7 615	8 187	7 532	8 182
Value added taxation payable	42 133	50 992	38 719	49 690
	175 848	**146 472**	**145 942**	**151 099**

The directors consider the carrying amounts of the trade and other payables to approximate their fair values due to the nature of the financial instrument.

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	126 100	87 293	99 691	93 227
Non-financial instruments	49 748	59 179	46 251	57 872
	175 848	**146 472**	**145 942**	**151 099**

21. Employee benefits

Reconciliation of employee benefits

	2024			
Group	Opening balance R'000	Additions R'000	Utilised / reversed during the year R'000	Closing balance R'000
Leave pay	8 849	17 005	(15 791)	10 063
Bonus	52 676	5 926	(44 384)	14 218
	61 525	**22 931**	**(60 175)**	**24 281**

Included in the closing balance of the bonus accrual is R9.8 million bonus to executives that were awarded in 2023 but have been deferred and not yet paid.

	2023			
	Opening balance R'000	Additions R'000	Utilised during the year R'000	Closing balance R'000
Leave pay	5 834	16 728	(13 713)	8 849
Bonus	30 389	54 217	(31 930)	52 676
	36 223	**70 945**	**(45 643)**	**61 525**

Notes to the financial statements

21. Employee benefits (continued)

Company	Opening balance R'000	Additions R'000	Utilised / reversed during the year R'000	Closing balance R'000
	2024			
Leave pay	8 394	16 460	(15 588)	9 266
Bonus	50 026	3 530	(40 523)	13 033
	58 420	**19 990**	**(56 111)**	**22 299**

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Closing balance R'000
	2023			
Leave pay	5 690	15 897	(13 193)	8 394
Bonus	30 243	50 775	(30 992)	50 026
	35 933	**66 672**	**(44 185)**	**58 420**

The leave pay accrual is based on the number of leave days due calculated at the employees cost to company.

The bonus accrual relates to a bonus payable to employees based on the approved short term incentive scheme of the group.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
22. Revenue				
Revenue from contracts with customers				
Revenue from sale of apartments	2 222 136	3 243 815	2 222 136	3 243 815
Rental of electronic communication	77 946	43 124	-	-
Bond commission	12 489	16 999	-	-
Rendering of services to residential developments	15 881	6 988	-	-
	2 328 452	**3 310 926**	**2 222 136**	**3 243 815**
Revenue other than from contracts with customers				
Rental income	26 227	10 888	-	-
Donation income	1 605	5 094	-	-
	27 832	**15 982**	**-**	**-**
	2 356 284	**3 326 908**	**2 222 136**	**3 243 815**

Revenue is derived principally from the sale of apartments, recognised once the control has transferred to the buyer. Revenue is measured based on consideration specified in the agreement with the customer and excludes amounts collected on behalf of third parties. Revenue from the sale of apartments is recorded net of any sales incentives. There is no significant judgement applied in determining revenue from contracts with customers.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

22. Revenue (continued)

Revenue from the sale of apartments is disaggregated on a regional basis as well per each development brand. The disaggregation is shown below:

Disclosure of disaggregated revenue from sale of apartments by region

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Gauteng	812 763	1 542 544	812 763	1 542 544
Western Cape	1 034 156	1 135 322	1 034 156	1 135 322
KwaZulu-Natal	375 217	565 949	375 217	565 949
	2 222 136	**3 243 815**	**2 222 136**	**3 243 815**

Disclosure of disaggregated revenue from sale of apartments by collection

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Classic Collection	1 525 722	1 987 145	1 525 722	1 987 145
Green Collection	381 357	548 332	381 357	548 332
Signature Collection	315 057	708 338	315 057	708 338
	2 222 136	**3 243 815**	**2 222 136**	**3 243 815**

Disaggregation of revenue from contracts with customers

Disclosure of timing of revenue recognition

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
At a point in time				
Revenue from sale of apartments	2 222 136	3 243 815	2 222 136	3 243 815
Bond commission	12 489	16 999	-	-
Rendering of services to residential developments	3 911	4 370	-	-
	2 238 536	**3 265 184**	**2 222 136**	**3 243 815**
Over time				
Rental of electronic communication	77 946	43 124	-	-
Rendering of services to residential developments	11 970	2 618	-	-
	89 916	**45 742**	**-**	**-**
Total revenue from contracts with customers	**2 328 452**	**3 310 926**	**2 222 136**	**3 243 815**

23. Share based payments

In terms of the rules of Balwin's Conditional Share Plan ("the Share Plan"), as approved by the shareholders at the annual general meeting, allowance is made for the offer of rights in the form of bonus shares, performance shares and/or retention shares under the following allocation conditions:

Bonus shares - Bonus shares are awarded annually, to the extent that a short-term incentive ("STI") was payable, at a ratio of a 1:1 match to the actual STI paid in terms of the immediately preceding financial year. The bonus shares are linked to short-term incentive performance and, as such, no prospective performance conditions are applicable. These awards are subject to continued employment over the three year vesting period only.

Performance shares - Performance shares are awarded subject to the discretion of the remuneration committee and specific performance conditions will be attached to the award. Any performance condition attached to performance shares shall be objective and representative of a fair measure of performance.

Retention shares - Retention shares are only awarded in special circumstances with the aim to attract and retain specific and sought after talent, subject to the discretion of the remuneration and nomination committee. These shares are subject to continued employment only.

In the current financial year, bonus shares were allocated to senior management personnel as based on the STI of the participating employees priced at the 30-day volume weighted average share price. No performance or retention shares were issued. The STI related to the financial performance of the group for the year ended 28 February 2023. No STI has been accrued for in the current year.

Total expenses of R17.3 million (2023: R11.0 million) related to share based payments transactions that were recognised in the year. The following equity-settled share based payment arrangements relating to the bonus share scheme, which is the only active scheme in existence during the current year:

Share options (Bonus shares)	Number of shares	Award Date	Vesting date	Fair value at award date
Bonus shares - 2020	3 089 145	31 July 2020	30 June 2023	R2.60
Bonus shares - 2021	3 522 329	1 July 2021	30 June 2024	R4.23
Bonus shares - 2022	6 963 155	1 July 2022	30 June 2025	R2.88
Bonus shares - 2023	12 004 575	1 July 2023	30 June 2026	R2.73
	25 579 204			

Reconciliation of number of share options outstanding:				
Opening balance	12 540 889	8 431 480	12 540 889	8 431 480
Shares awarded during the year	12 004 575	6 963 155	12 004 575	6 963 155
Shares forfeited during the year	(73 210)	(354 136)	(73 210)	(354 136)
Shares exercised during the year*	(2 512 637)	(2 499 610)	(2 512 637)	(2 499 610)
Closing balance	**21 959 617**	**12 540 889**	**21 959 617**	**12 540 889**

Reconciliation of share based payment reserve: R'000				
Opening balance	71 548	67 448	71 548	67 448
Share based payment charge	17 520	11 042	17 520	11 042
Shares forfeited during the year	(230)	(82)	(230)	(82)
Shares exercised during the year	(6 541)	(6 860)	(6 541)	(6 860)
Closing balance	**82 297**	**71 548**	**82 297**	**71 548**

* The weighted average share price at the exercise date amounts to R2.60 (2023: R2.75)

Notes to the financial statements

	Note	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
24. Other income (expenses)					
Lifestyle recoveries		11 115	-	-	-
Solar and management fee income		1 286	1 821	1 286	1 513
Municipal recoveries		7 529	2 723	151	224
Profit on termination of lease		-	2 653	-	2 653
(Loss) profit on sale of property, plant and equipment		(1 026)	1 615	(189)	1 615
(Loss) on sale of intangible assets		(118)	-	(118)	-
(Loss) on sale of non-current assets held for sale		(7 061)	-	(7 061)	-
Infrastructure maintenance fee		-	1 169	-	-
Income from advertising and other recoveries		1 021	1 725	-	135
Revenue share from Smart PV Proprietary Limited		-	2 575	-	-
Other income (expenses)		3 590	1 135	(275)	352
		16 336	**15 416**	**(6 206)**	**6 492**
25. Other operating gains					
Gains on acquisition					
Gain on bargain purchase		-	4 222	-	-
Fair value gains					
Investment property	4	-	3 268	-	-
Fair value of previously held equity interest		-	2 462	-	-
		-	**5 730**	**-**	**-**
Total other operating gains		**-**	**9 952**	**-**	**-**

The above transactions related to Balwin Rental. The Group acquired 100% ownership of Balwin Rentals in the prior year, which was previously accounted for as an associate of Balwin Properties Limited.

26. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	Group 2024 R '000	Group 2023 R '000	Company 2024 R '000	Company 2023 R '000
Expenses by nature				
Employee costs	89 100	120 471	69 704	99 358
Depreciation and amortisation	32 204	26 715	29 228	19 576
Consulting fees	14 738	20 576	13 770	19 307
Legal fees	1 044	1 715	1 019	1 699
Share based payment expense	17 290	10 960	17 290	10 960
Sales and internal commission	31 132	65 231	31 132	65 231
	185 508	**245 668**	**162 143**	**216 131**
Auditor's remuneration - external				
Audit fees	2 821	1 760	1 403	1 254
Non-audit services	1	6	-	-
	2 822	**1 766**	**1 403**	**1 254**
Auditor's remuneration - internal	**1 124**	**1 165**	**1 124**	**1 165**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

27. Investment income

Bank	21 459	22 361	21 353	22 281
Occupational interest	7 838	12 766	7 838	12 766
Other investment income	764	1 635	756	1 605
Total interest income	**30 061**	**36 762**	**29 947**	**36 652**

28. Finance costs

Development loans	319 675	248 392	319 675	248 392
Lease liability interest	77	4 069	11 882	10 600
Investment and general banking facilities	50 248	28 050	7 098	9 778
Other	294	264	294	264
Capitalised interest on developments under construction	(319 675)	(248 392)	(319 675)	(248 392)
Total finance costs	**50 619**	**32 383**	**19 274**	**20 642**

Finance cost paid includes interest on development loans of R251.4 million (2023: R187.0 million) which was paid during the year in both the group and the company.

Finance cost paid per the consolidated statements of cash flows				
Finance cost charge per the statement of profit or loss and other comprehensive income	(50 619)	(32 383)	(19 274)	(20 642)
Interest paid on development loans	(251 353)	(186 968)	(251 353)	(186 968)
Interest accrued on investment and general banking facilities but not yet paid	5 656	1 978	-	-
Finance cost paid	**(296 316)**	**(217 373)**	**(270 627)**	**(207 610)**

29. Taxation

Major components of the tax expense

Current				
Current taxation - current year	23 714	140 414	17 958	133 572
Current taxation - prior period over provision	(191)	(379)	(191)	(379)
	23 523	**140 035**	**17 767**	**133 193**
Deferred				
Deferred taxation - current year	69 361	20 072	65 423	22 857
	92 884	**160 107**	**83 190**	**156 050**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

29. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group 2024	Group 2023	Company 2024	Company 2023
Applicable tax rate	27.00 %	28.00 %	27.00 %	28.00 %
Solar asset allowance	(0.29)%	- %	(0.13)%	- %
Disallowable charges - Share-based payment	2.62 %	0.92 %	2.24 %	0.97 %
Disallowable charges - Accounting loss on sale of fixed assets	0.63 %	- %	0.71 %	- %
Non-taxable income - Share in profit from associate	- %	(0.02)%	- %	(0.02)%
Non-taxable income - Fair value adjustment	- %	(0.12)%	- %	- %
Non-taxable income - Non-taxable portion of capital gain	- %	(0.02)%	- %	(0.02)%
Non-taxable income - Balwin Foundation	- %	(0.04)%	- %	- %
Change in tax rate	- %	(1.62)%	- %	(1.69)%
Prior year overprovision	(0.02)%	(0.06)%	(0.02)%	(0.07)%
Consolidation adjustment	- %	(0.24)%	- %	- %
	29.94 %	**26.80 %**	**29.80 %**	**27.17 %**

30. Cash generated from / (used in) operations

	Group 2024	Group 2023	Company 2024	Company 2023
Profit before taxation	310 256	597 461	279 121	574 339
Adjustments for non-cash items:				
Depreciation and amortisation	32 376	26 901	29 400	19 762
Loss (profit) on disposal of property, plant and equipment, intangible assets and non-current assets held for sale	8 205	(1 615)	7 368	(1 615)
Profit on termination of lease	-	(2 653)	-	(2 653)
Bargain gain purchase	-	(4 222)	-	-
Fair value gain on investment property	-	(3 268)	-	-
Fair value gain on previously held equity interest	-	(2 462)	-	-
Movements in employee benefits	(37 244)	25 302	(36 121)	22 487
Lease modification	-	-	87	-
Share of profit of associate	-	(332)	-	(332)
Loans to external parties converted to grants	-	1 600	-	1 600
Share based payment	17 290	10 960	17 290	10 960
Other non-cash item	185	-	183	-
Adjust for items which are presented separately:				
Investment income	(30 061)	(36 762)	(29 947)	(36 652)
Finance costs	50 619	32 383	19 274	20 642
Changes in working capital:				
Increase in developments under construction	(270 298)	(639 034)	(255 313)	(645 045)
(Increase) decrease in trade and other receivables	(130 807)	538 375	(70 000)	526 309
Increase (decrease) in trade and other payables	29 376	22 853	(5 157)	31 835
Decrease (increase) in development loans receivable	25 181	(6 619)	25 181	(6 619)
	5 078	**558 868**	**(18 634)**	**515 018**

Notes to the financial statements

31. Reconciliation of changes in liabilities arising from financing activities

Group 2024	Development loans and facilities R'000	Lease liabilities R'000
Balance at 1 March 2023	2 956 519	1 266
Development loans raised and utilised	1 965 438	-
Development loans repaid	(1 424 661)	-
Investment loans and general facilities raised and utilised	131 496	-
Investment loans and general banking facilities repaid	(679 269)	-
Interest accrued	374 727	77
Payment of interest	(251 353)	(77)
Payment of lease liabilities	-	(1 074)
Balance at 29 February 2024	**3 072 897**	**192**
2023		
Balance at 1 March 2022	2 540 610	126 159
Development loans raised and utilised	2 200 433	-
Development loans repaid	(2 327 757)	-
Investment loans and general banking facilities raised and utilised	844 271	-
Investment loans and general banking facilities repaid	(618 679)	-
Acquisition through business combination	100 783	-
Interest raised on investment and general banking facilities	1 978	-
Loan raised on acquisition of property, plant and equipment	125 803	-
Cancelled leases	-	(123 147)
Interest accrued	276 045	4 069
Payment of interest	(186 968)	(4 069)
Payment of lease liabilities	-	(1 746)
Balance at 28 February 2023	**2 956 519**	**1 266**
2024		
Company		
Balance at 1 March 2023	2 604 856	149 020
Development loans raised and utilised	1 965 438	-
Development loans repaid	(1 424 661)	-
Investment loans and general banking facilities raised and utilised	99 713	-
Investment loans and general banking facilities repaid	(667 568)	-
Lease modification	-	(9 324)
Payment of interest	(251 353)	(11 882)
Payment of lease liabilities	-	(516)
Interest accrued	369 726	11 882
Balance at 29 February 2024	**2 696 151**	**139 180**
2023		
Balance at 1 March 2022	2 475 610	126 159
Development loans raised and utilised	2 200 433	-
Development loans repaid	(2 327 757)	-
Investment loans and general banking facilities repaid	(618 679)	-
Investment loans and general banking facilities raised and utilised	786 340	-
New leases	-	146 854
Cancelled leases	-	(123 147)
Payment of lease liabilities	-	(846)
Payment of interest	(186 968)	(10 600)
Interest accrued	275 877	10 600
Balance at 28 February 2023	**2 604 856**	**149 020**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

32. Taxation paid

Balance at beginning of the year	(21 899)	(15 236)	(23 046)	(15 337)
Current tax recognised in profit or loss	(23 523)	(140 035)	(17 767)	(133 193)
Adjustment in respect of businesses acquired during the year	-	278	-	-
Balance at end of the year	(1 316)	21 899	(1 008)	23 046
	(46 738)	**(133 094)**	**(41 821)**	**(125 484)**

33. Related parties

Relationships	
Subsidiaries	Refer to note 6
Members of key management	Refer to director's report for a list of directors and prescribed officers

Balwin Properties Limited, in the ordinary course of business, entered into various sales transactions with its key management personnel. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions of these transactions are determined on an arm's length basis.

Related party balances

Loan accounts - Owing by related parties				
Subsidiary				
Balwin Annuity Proprietary Limited	-	-	116 648	42 569
Amounts included in trade payables regarding related parties				
Subsidiary				
Balwin Annuity Proprietary Limited	-	-	3 504	-
Amounts included in trade receivable from related party				
Subsidiary				
Balwin Annuity Proprietary Limited	-	-	3 556	6 612
Balwin Fibre Proprietary Limited	-	-	863	-
Balwin Green Living Proprietary Limited	-	-	273	-

Related party transactions

Sale of apartments to related parties				
Directors and companies				
Lucille Properties Proprietary Limited *	-	69 068	-	69 068
Shelby Prop Investments Proprietary Limited **	-	19 018	-	19 018
Rental guarantee payments				
Subsidiaries / associates				
Balwin Rentals Proprietary Limited ^	-	325	-	325

^ In the prior year, Balwin Rentals ownership changed from an investment in associate to a subsidiary.

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

33. Related parties (continued)

Property rental management fee received

Directors and prescribed officers				
RN Gray	135	153	135	153
U Gschnaidtner	13	15	13	15
SV Brookes	364	572	364	572

A property rental management fee is paid by key management of Balwin for the management of their property investment portfolio. The fee charged is on an arms length basis and the underlying agreement is approved by the board annually.

Right-of-use asset rental

Subsidiary				
Balwin Head Office JHB Proprietary Limited	-	-	8 962	5 630

Rentals paid to related parties

Directors, prescribed officers and companies				
Volker Properties Proprietary Limited *	454	532	454	532
Lucille Properties Proprietary Limited *	71	869	71	869
Shelby Prop Investments Proprietary Limited **	356	712	356	712
Key West Trust ***	-	6	-	6

Rental is paid to related parties for the use of apartments owned by them. The apartments are mostly used by the group for marketing purposes for use as show apartments.

Donations paid to related party

Subsidiary				
Balwin Foundation NPC	-	-	7 489	5 670

Other expenses paid to related parties

Subsidiaries				
Balwin Technik Proprietary Limited	-	-	-	3 654
Balwin Head Office JHB Proprietary Limited	-	-	4 216	585
Balwin Fibre Proprietary Limited	-	-	1 492	2 357
Balwin Connect Proprietary Limited	-	-	41	-
Balwin Energy Proprietary Limited	-	-	81	562

Other income received from related parties

Subsidiaries				
Balwin Rentals Proprietary Limited	-	-	263	110
Balwin Head Office JHB Proprietary Limited	-	-	39	39

Management fees paid to related parties

Subsidiaries				
Balwin Annuity Proprietary Limited	-	-	13 532	3 274
Balwin Green Living Proprietary Limited	-	-	800	1 771
Balwin Head Office JHB Proprietary Limited	-	-	139	250
Balwin Mortgages Proprietary Limited	-	-	2 404	8 203
Balwin Lifestyle Operations Proprietary Limited	-	-	427	319
Balwin Rentals Proprietary Limited	-	-	263	37

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

33. Related parties (continued)

Compensation to directors and other key management				
Short-term employee benefits	25 795	46 640	25 795	46 640
Post-employment benefits	1 252	1 211	1 252	1 211
Share based payment	11 411	7 852	11 411	7 852
	38 458	**55 703**	**38 458**	**55 703**

* The entity is controlled by SV Brookes
** The entity is controlled by RN Gray
*** Trust controlled by spouse of RN Gray

34. Directors' and prescribed officer's emoluments

Executive

2024

	Basic salary R'000	Bonus R'000	Medical aid R'000	Provident fund R'000	Travel allowance R'000	Long-term incentive expense* R'000	Total R'000
SV Brookes	6 560	-	222	388	120	4 426	11 716
JS Bigham	3 440	-	111	214	240	669	4 674
	10 000	**-**	**333**	**602**	**360**	**5 095**	**16 390**

2023

	Basic salary R'000	Bonus R'000	Medical aid R'000	Provident fund R'000	Travel allowance R'000	Long-term incentive expense* R'000	Total R'000
SV Brookes	6 223	6 181	196	368	120	3 059	16 147
JS Bigham **	2 995	2 712	83	187	220	458	6 655
J Weltman ***	326	326	34	39	20	57	802
	9 544	**9 219**	**313**	**594**	**360**	**3 574**	**23 604**

* The long-term incentive expense reflects the cost that has been expensed by the company
** The director was appointed on 1 April 2022
*** The director resigned on 31 March 2022

Notes to the financial statements

34. Directors' and prescribed officer's emoluments (continued)

Non-executive

All emoluments disclosed below relates to their remuneration derived for services performed in their capacity as non-executive directors. No bonuses or any contributions were paid to non-executive directors.

	2024 R'000	2023 R'000
H Saven	1 266	1 107
K Mzondeki (resigned 19 August 2022)	-	266
R Zekry (resigned 24 August 2023)	317	575
A Shapiro	749	710
O Amosun	664	552
T Mkgosi-Mwantembe	573	543
J Scher	377	357
ARK Kukama	532	504
K Moloko (appointed 19 August 2022)	573	298
	5 051	**4 912**

Prescribed officers

2024

	Basic salary R'000	Bonus and variable remuneration ^ R'000	Medical aid R'000	Provident fund R'000	Travel allowance R'000	Long-term incentive expense* R'000	Total R'000
U Gschnaidtner #	5 224	3 530	132	311	120	2 758	12 075
RN Gray	5 712	-	264	339	120	3 558	9 993
	10 936	**3 530**	**396**	**650**	**240**	**6 316**	**22 068**

2023

	Basic salary R'000	Bonus and variable remuneration ^ R'000	Medical aid R'000	Provident fund R'000	Travel allowance R'000	Long-term incentive expense* R'000	Total R'000
U Gschnaidtner	4 954	11 173	114	295	120	1 877	18 533
RN Gray	5 417	5 079	227	322	120	2 401	13 566
	10 371	**16 252**	**341**	**617**	**240**	**4 278**	**32 099**

Resigned 1 February 2024, however is serving a six-month notice period.
^ The variable remuneration is based upon the employment contract which includes a contractual profit share.
* The long-term incentive expense reflects the cost that has been expensed by the company in the period and not the value of options settled in the year.

34. Directors' and prescribed officer's emoluments (continued)

Directors' interest

	2024 Number of shares	2024 % holding	2023 Number of shares	2023 % holding
SV Brookes	171 751 457	33.1 %	170 374 031	32.8 %
RN Gray	48 646 377	9.4 %	48 333 658	9.2 %
ARK Kukama	47 219 260	9.1 %	47 219 260	9.1 %
U Gschnaidtner	10 150 788	2.0 %	10 150 788	2.0 %
R Zekry*	3 633 269	0.7 %	3 633 269	0.7 %
A Shapiro	204 000	- %	150 000	- %
JS Bigham	121 028	- %	54 353	- %
O Amosun	9 390	- %	9 390	- %
	281 735 569	**54.3 %**	**279 924 749**	**53.8 %**

* The director resigned on 24 August 2023.

All shares held by the directors are for direct beneficial interest. There have been no changes to the directors’ interest between the end of the financial year and the date of the approval of the financial statements. All of the shares of SV Brookes are pledged as security for financing purposes.

Directors' share options

Bonus shares were awarded to the directors and prescribed officer in terms of the group's Conditional Share Plan in the prior year, refer to Note 23. These awards are linked to short term incentive performance and have no prospective performance conditions or strike prices attached. These awards are subject to continued employment only.

The following share options were awarded to directors but not yet vested at year end:

2024	**Opening balance**	**Granted during the year**	**Settled/lapsed during the year**	**Closing balance**
SV Brookes	3 251 959	2 402 130	(762 071)	4 892 018
RN Gray	2 583 834	1 972 356	(584 520)	3 971 670
U Gschnaidtner (resigned 1 February 2024)	2 009 869	1 522 309	(459 809)	3 072 369
JS Bigham	508 063	1 053 238	(58 989)	1 502 312
	8 353 725	**6 950 033**	**(1 865 389)**	**13 438 369**

2023	**Opening balance**	**Granted during the year**	**Settled/lapsed during the year**	**Closing balance**
SV Brookes	2 150 674	1 716 640	(615 355)	3 251 959
RN Gray	1 643 254	1 408 976	(468 396)	2 583 834
J Weltman (resigned 31 March 2022)	965 026	-	(965 026)	-
U Gschnaidtner	1 305 334	1 087 824	(383 289)	2 009 869
JS Bigham (appointed 1 April 2022)	239 457	315 273	(46 667)	508 063
	6 303 745	**4 528 713**	**(2 478 733)**	**8 353 725**

Notes to the financial statements

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000

35. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Financial assets at amortised cost				
Development loans receivable	1 840	27 021	1 840	27 021
Loans to related parties	-	-	116 648	42 569
Loans to external parties	8 664	8 664	8 664	8 664
Trade and other receivables	331 221	217 073	282 058	219 162
Restricted cash	-	164 376	-	164 376
Cash and cash equivalents	289 586	607 349	272 865	576 060
	631 311	**1 024 483**	**682 075**	**1 037 852**

Financial assets at fair value through other comprehensive income				
Other financial assets	1 267	-	1 267	-

Categories of financial liabilities

Financial liabilities at amortised cost				
Development loans and facilities	(3 072 897)	(2 956 519)	(2 696 151)	(2 604 856)
Trade and other payables	(126 100)	(87 293)	(99 691)	(93 227)
	(3 198 997)	**(3 043 812)**	**(2 795 842)**	**(2 698 083)**

Financial liabilities at fair value through other comprehensive income				
Other financial liabilities	-	(684)	-	(684)

The directors consider the carrying value of the financial assets and liabilities listed above to approximate its fair value.

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. Developments under construction is financed on a phase-by-phase basis. Development finance is obtained through secured pre-sales and is repaid on registration of the phase being financed.

The capital structure of the group consists of debt, which includes the development finance disclosed in Note 18, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

Financial risk management

Overview

The group’s activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group’s financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Notes to the financial statements

35. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Given the nature of the operations of the group, credit risk on the sale of apartments not yet registered is mitigated through the fact that the financial guarantees are in place in full prior to the handover of the apartment. As such, credit risk arises principally from the group's receivables from loans, amounts due from body corporates and transferring attorneys, municipal debtors, development loans due from financial institutions, restricted cash and cash and cash equivalents.

Credit risk is managed on a group basis.

Development loans receivables

Development loans represents over settlement of the development loan facility by the transferring attorney to the financial institution. The loans are expected to be recovered from the respective financial institution within 12 months after year end and have been classified as current. The group considers the development loans receivable to be subject to a minimal exposure to credit risk due to funding on the development loans facilities being acquired from major banks and financial institutions which are rated AA+ based on the Fitch ratings.

Loans to related parties

Loans to related parties are actively reviewed and managed on a monthly basis through the review of forecasts and cash flow, to assess the recoverability of loans to related parties.

Furthermore, the group monitors changes in credit risk by tracking the financial statements of the related party and assessing liquidity and solvency of the respective entity. There is no increase in credit risk.

Loans to external parties

Loans to external parties comprise of enterprise development loans made to external parties. The group monitors changes in credit risk by inspecting the financial results of the external parties after each six-month period. Where results indicate that the liquidity and solvency position of the external party has deteriorated since the previous six-month period, the group considers credit risk to have significantly increased and recognises lifetime expected credit losses.

Trade and other receivables

Trade and other receivables relates to sales where registration has not yet transferred, however, revenue has been recognised as the apartment has been handed over to the purchaser and financial guarantees are in place for the full purchase price. Amounts owing by the transfer attorneys relates to cash received from registrations which has not yet been transferred to the group. Due to the nature of the trade and other receivables the credit risk is limited.

The group uses the simplified approach and recognises lifetime expected credit losses on its trade and other receivables.

Restricted cash and cash and cash equivalents

Restricted cash and cash and cash equivalents are held with major banks and financial institutions which are rated AA+ based on the Fitch ratings. The group considers restricted cash and cash and cash equivalents to be subject to a limited exposure to credit risk.

There has been no write-off of any financial assets in the current year (2023: Rnil) other than the expected credit loss allowance raised.

35. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Financial instruments				
Development loans receivable	1 840	27 021	1 840	27 021
Loans to related parties	-	-	116 648	42 569
Loans to external parties	8 664	8 664	8 664	8 664
Trade and other receivables	331 221	217 073	282 058	219 162
Restricted cash	-	164 376	-	164 376
Cash and cash equivalents	289 586	607 349	272 865	576 060
	631 311	**1 024 483**	**682 075**	**1 037 852**

The movement in the expected credit loss allowance relating to trade and other receivables:

	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	(9 943)	(5 069)	(4 778)	(5 365)
Lifetime loss allowance recognised in the current year (trade and other receivables) - refer to note 12	(3 893)	(4 874)	(3 893)	-
Lifetime loss allowance reversed in the current year	4 589	-	34	587
Balance at the end of the year	**(9 247)**	**(9 943)**	**(8 637)**	**(4 778)**

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Development finance is obtained from major financial institutions based on secured pre-sales of residential apartment on a phase-by-phase basis. Development finance is repaid upon registration of a specific phase being financed. The phase-by-phase approach to funding reduces the risk of accumulating excessive debt which impacts liquidity. The business operates within pre-defined risk tolerance levels set by funders covenants and board thresholds. Quarterly, the board reviews the group's compliance with the covenants.

The following covenants listed below are applicable to the group:

Covenant	**Covenant requirement**
Interest Coverage Ratio	At all times shall be equal to or greater than 2x
Loan to Value	<50%
Net Asset Value	At all times shall be equal to or greater than R2 billion
Minimum Cash	R200 million after payment of any dividend

All covenants have been fully complied with and the board is satisfied that appropriate headroom exists with respect to covenant compliance.

Notes to the financial statements

35. Financial instruments and risk management (continued)

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - 2024

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	126 100	-	-	-	126 100	126 100
Development loans	2 043 519	10 355	253 599	-	2 307 473	2 034 294
Facilities	395 895	631 218	61 668	-	1 088 781	1 038 603
	2 565 514	**641 573**	**315 267**	**-**	**3 522 354**	**3 198 997**

Group - 2023

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	87 293	-	-	-	87 293	87 293
Development loans	1 378 323	90 134	218 737	-	1 687 194	1 469 175
Facilities	572 500	155 031	1 186 534	144 587	2 058 652	1 487 344
Other financial liabilities	-	684	-	-	684	684
	2 038 116	**245 849**	**1 405 271**	**144 587**	**3 833 823**	**3 044 496**

Company - 2024

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	99 691	-	-	-	99 691	99 691
Development loans	2 043 519	10 355	253 599	-	2 307 473	2 034 294
Facilities	174 265	549 811	61 668	-	785 744	661 857
	2 317 475	**560 166**	**315 267**	**-**	**3 192 908**	**2 795 842**

Company - 2023

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	93 227	-	-	-	93 227	93 227
Development loans	1 378 323	90 134	218 737	-	1 687 194	1 469 175
Facilities	372 189	105 573	1 038 159	-	1 515 921	1 135 681
Other financial liabilities	-	684	-	-	684	684
	1 843 739	**196 391**	**1 256 896**	**-**	**3 297 026**	**2 698 767**

Interest rate risk

The group's interest rate risk arises from long and short-term borrowings, cash and cash equivalents, restricted cash and development loans receivable. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The Group uses an interest rate swap to partially hedge its exposure to variable interest rate risks arising from long term financing activities in accordance with its treasury policy.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the group calculates the impact on profit or loss of a defined interest rate movement. Interest rate risk is higher for land debt than development finance. Development finance is short term funding in nature and therefore there is no significant exposure to variations in interest rates.

The scenarios are run only for financial instruments that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% movement would be a maximum increase and opposite decrease of R27.8 million (2023: R21.6 million) for the group and R24.2 million (2023: R18.4 million) for the company. The sensitivity analysis is prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

35. Financial instruments and risk management (continued)

Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates. The below interest rate swap was entered into in the prior year. No interest rate swaps or other similar instruments were entered into in the current year.

	Swap maturity	Nominal amount R'000	Average swap rate %	Fair value R'000
Interest rate swap	April 2025	350 000	7.93	1 267

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate of 100bps which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Interest-bearing instruments comprise:				
Development loans receivable	1 840	27 021	1 840	27 021
Cash and cash equivalents	289 586	607 349	272 865	576 060
Development loans payable	(3 072 897)	(2 956 519)	(2 696 151)	(2 604 856)
Restricted cash	-	164 376	-	164 376
	(2 781 471)	**(2 157 773)**	**(2 421 446)**	**(1 837 399)**
Interest rate sensitivity				
Development loans receivable	18	270	18	270
Cash and cash equivalents	2 896	6 073	2 729	5 761
Development loans payable	(30 729)	(29 565)	(26 962)	(26 049)
Restricted cash	-	1 644	-	1 644
	(27 815)	**(21 578)**	**(24 215)**	**(18 374)**

36. Basic, headline and diluted earnings per share

	Group 2024	Group 2023	Company 2024	Company 2023
Basic (cents)	46.18	93.74		
Headline (cents)	47.94	91.49		
Diluted earnings (cents)	46.18	93.68		
Diluted headline earnings (cents)	47.94	91.42		
Tangible net asset value per share (cents) *	853.75	819.38	843.71	813.99
Net asset value per share (cents) **	858.49	824.38	848.15	818.62
Weighted average shares in issue	466 990 900	465 381 892	466 990 900	465 381 892
Net asset value (R'000)	4 009 050	3 836 518	3 960 800	3 809 709
Tangible net asset value (R'000)	3 986 924	3 813 237	3 940 028	3 788 154

* Calculated as the net asset value less intangible assets divided by the weighted average shares in issue.
** Calculated as the net asset value divided by the weighted average shares in issue.

Notes to the financial statements

36. Basic, headline and diluted earnings per share (continued)

	Group			
	Gross 2024 R '000	Net 2024 R '000	Gross 2023 R '000	Net 2023 R '000
Reconciliation of profit for the year to headline earnings (R'000)				
Basic earnings	215 668	215 668	436 267	436 267
Net loss (profit) on disposal of property, plant and equipment, intangible assets and non-current assets held for sale	8 205	8 205	(1 615)	(1 253)
Gain from bargain purchase	-	-	(4 222)	(4 222)
Fair value gain on investment property	-	-	(3 268)	(2 562)
Fair value of previously held equity interest	-	-	(2 462)	(2 462)
Headline earnings	**223 873**	**228 816**	**424 700**	**425 768**

	Group		Company	
	2024	2023	2024	2023
Weighted average number of shares				
Weighted average number of shares in issue	466 990 900	465 381 892	466 990 900	465 381 892
Potential dilutive impact of share options	-	327 703	-	327 703
Weighted average diluted shares in issue	**466 990 900**	**465 709 595**	**466 990 900**	**465 709 595**

37. Dividends per share

Total dividend paid	73 237 071	121 542 373	73 237 071	121 542 373
Shares in issue*	466 990 900	465 381 892	466 990 900	465 381 892
Dividend per share (cents)	15.68	26.12	15.68	26.12

* The shares in issue represent the accounting shares in issue and excludes the shares held by the BEE SPV as well as the shares held in treasury. When including the above mentioned shares, the total ordinary shares in issue is 519 411 852 and accordingly the dividend paid per share amounts to 14.10 cents.

38. Contingent liabilities

The group had no contingent liabilities at 29 February 2024 (2023: RNil).

39. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Land (Unconditional)	-	50 000	-	50 000
• Land (Conditional)	311 000	338 000	311 000	338 000
• Infrastructure (Unconditional)	5 114	189 847	5 114	189 847

This committed expenditure relates to land purchased for development and committed infrastructure costs that have been funded. The land commitments will be financed by available retained profits, external funding and existing cash resources.

Notes to the financial statements

40. Segmental reporting

The operating segments within the group have been identified based on the nature of their operations.

Nature of operations
- Sale of apartments
- Provision of services to Balwin residential estates
- Bond commission
- Residential and commercial property rental
- Balwin Foundation

	Sale of apartments R'000	Provision of services to residential estates R'000	Bond commission R'000	Property rentals R'000	Balwin Foundation R'000	Total R'000
Segmental reporting for statement of financial position for the year ended 29 February 2024						
Non-current assets	128 487	102 789	276	413 989	130	645 671
Current assets	6 920 590	53 816	2 570	5 090	2 610	6 984 676
Total assets	**7 049 077**	**156 605**	**2 846**	**419 079**	**2 740**	**7 630 347**
Non-current liabilities	1 141 107	13 520	64	307 083	-	1 461 774
Current liabilities	2 061 012	93 096	1 042	4 286	87	2 159 523
Total liabilities	**3 202 119**	**106 616**	**1 106**	**311 369**	**87**	**3 621 297**
Segmental reporting for statement of financial position for the year ended 28 February 2023						
Non-current assets	119 429	73 304	538	326 611	274	520 156
Current assets	6 726 666	23 636	9 342	14 100	4 347	6 778 091
Total assets	**6 846 095**	**96 940**	**9 880**	**340 711**	**4 621**	**7 298 247**
Non-current liabilities	1 361 101	-	-	180 880	-	1 541 981
Current liabilities	1 691 818	82 140	6 724	138 797	269	1 919 748
Total liabilities	**3 052 919**	**82 140**	**6 724**	**319 677**	**269**	**3 461 729**
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 29 February 2024						
Revenue	2 222 136	93 827	12 489	26 227	1 605	2 356 284
Gross profit	540 874	92 240	12 489	26 227	(6 175)	665 655
Operating expenses	(250 962)	(78 081)	(7 851)	(13 963)	(320)	(351 177)
Profit for the year	214 678	14 315	3 385	(8 646)	(6 360)	217 372
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2023						
Revenue	3 243 815	50 112	16 999	10 888	5 094	3 326 908
Gross profit	884 349	50 112	16 999	10 888	(2 198)	960 150
Operating expenses	(323 150)	(47 818)	(9 560)	(9 632)	(2 608)	(392 768)
Profit for the year	420 208	1 564	5 238	9 434	910	437 354

These operating segments, other than the segment relating to sale of apartments, are not reportable segments in terms of the definition in IFRS 8. All figures are presented net of consolidation adjustments.

Notes to the financial statements

41. Fair value information

Fair value hierarchy

Financial assets and liabilities included in the Group’s financial statements require measurement at, and/or disclosure of, fair value.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (interest rate swaps). The primary input into these valuations are prevailing interest rates which are derived from external sources of information. Please refer to note 8.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are the income capitalisation approach of the investment property as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management’s experience and knowledge of the investment. Please refer to note 4.

There were no transfers between Levels 1, 2 and 3 during the year.

42. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

43. Going concern

The directors have reviewed the group and company's cash flow forecasts up to the period ending May 2025 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

The group has performed cash flow forecasting to support the going concern assumption of the group. In preparing the cash flow forecast, the terms of the existing debt covenants have been reviewed and are expected to be complied with in full. The cash flow forecast is based upon the development programme of the business as approved by the executives. The development programme guides the potential for cash inflows from the sale and registration of apartments and drives the construction related costs incurred in order to deliver the apartments to the market. It is this relationship between the rate of construction and the rate of sales that is paramount to the success of the business model and the ability of the group to effectively manage its cash resources. Accordingly, the cash flow forecasting of the group is dynamic and is actively managed to ensure optimum cash management.

The group has forward sold 529 apartments beyond the current reporting period. These apartments will be recognised in revenue and the resulting cash realised in future years.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and company.