WBHO

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

1 Statement of responsibility by the Board
1 Chief Executive Officer and Chief Financial Officer's responsibility statement
2 Statement of compliance by the Audit Committee
2 Statement of compliance by the Company Secretary
3 Directors' report
5 Independent Auditor's report
10 Financial statements
10 Consolidated statement of financial position
11 Consolidated statement of financial performance and other comprehensive income
12 Consolidated statement of changes in equity
14 Consolidated statement of cash flows
15 Material accounting policies
17 Notes to the consolidated financial statements
71 Annexure 1: Investments in subsidiaries
72 Annexure 2: Interests in joint operations
73 Annexure 3: Shareholders' analysis

STATUTORY INFORMATION

WILSON BAYLY HOLMES-OVCON LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1982/011014/06)
JSE and A2X Share code: WBO
ISIN: ZAE000009932
(WBHO)

REGISTERED OFFICE AND CONTACT DETAILS

53 Andries Street
Wynberg, Sandton, 2090
PO Box 531
Bergvlei, 2012
Telephone: +27 11 321 7200
Fax: +27 11 887 4364
Website: www.wbho.co.za
Email: wbhoho@wbho.co.za

COMPANY SECRETARY

Donnafeg Msiska CA(SA)

AUDITORS

PricewaterhouseCoopers Incorporated

TRANSFER SECRETARIES

JSE Investor Services
One Exchange Square
2 Gwen Lane
Sandown
Sandton, 2196
Telephone: +27 11 713 0800
Fax: +27 86 674 4381

SPONSOR

Investec Bank Limited

LEVEL OF ASSURANCE:

These consolidated financial statements have been audited in compliance with section 30(2)(a) of the Companies Act of South Africa. The consolidated financial statements were internally prepared under the supervision of the Chief Financial Officer, Andrew Logan CA(SA).
Published: 10 September 2024

STATEMENT OF RESPONSIBILITY BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards (Accounting Standards) and comply with the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The directors have also prepared any other information included in the Annual Report and are responsible for both its accuracy and its consistency with the consolidated financial statements.

The directors acknowledge that, ultimately, they are responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors ("Board") sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring that the business of the Group is conducted in a manner which, in all reasonable circumstances, is above reproach. The focus of risk management within the Group is to identify, assess and monitor 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.

Based on the information and explanations given by management and the internal auditors, the Board is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements, however, a system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been applied in preparing the consolidated financial statements based on budgets and forecast cash flows for the period up to September 2025. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future. The viability of the Group is supported by the consolidated financial statements.

The consolidated financial statements have been audited by the independent auditor, PricewaterhouseCoopers Incorporated, who was given unrestricted access to all financial records and the related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. The unqualified audit report of PricewaterhouseCoopers Incorporated is presented on pages 5 to 9.

The preparation of the consolidated financial statements was supervised by the Chief Financial Officer, Andrew Logan CA(SA) and approved by the Board on 9 September 2024 and are signed on its behalf.

Louwtjie Nel
Chairman
9 September 2024

Wolfgang Neff
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

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

(a) the consolidated financial statements set out on pages 10 to 72, fairly present in all material respects the financial position, financial performance and cash flows of Wilson Bayly Holmes-Ovcon Limited in terms of Accounting Standards;

(b) to the best of our knowledge and belief, no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to Wilson Bayly Holmes-Ovcon Limited and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of Wilson Bayly Holmes-Ovcon Limited;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

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

(f) we are not aware of any fraud involving the directors.

Wolfgang Neff
Chief Executive Officer
9 September 2024

Andrew Logan
Chief Financial Officer

STATEMENT OF COMPLIANCE BY THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2024

MEMBERS

AJ Bester (Chairman)
KM Forbay
RW Gardiner
N Songushu

Each of the members of the Audit Committee are independent non-executive directors. The committee meets at least four times a year to fulfil its mandate. The internal and external auditors, as well as certain members of the executive and senior management, attend committee meetings by invitation.

The Audit Committee has executed its duties and responsibilities in accordance with its terms of reference which are informed by the Companies Act, paragraph 3.84(g) of the JSE Listings Requirements and King IV and are approved by the Board of Directors.

The committee performed certain statutory and other duties during the reporting period including:

- monitoring the effectiveness and implementation of internal financial controls and the adequacy of financial reporting;
- ensured that the financial reporting of the Group complies with International Financial Reporting Standards and Companies Act of South Africa;
- considered the effectiveness of the Chief Financial Officer and financial function;
- considered and reviewed the independence of the external auditor and the extent of non-audit services provided;
- reviewed the audit plans for internal and external audit; and
- reviewed the key audit matters and work performed thereon by the external auditors.

Cobus Bester
Audit Committee Chairman
9 September 2024

STATEMENT OF COMPLIANCE BY THE COMPANY SECRETARY

FOR THE YEAR ENDED 30 JUNE 2024

I confirm that the Company has lodged with the Registrar of Companies all returns that are required to be lodged by a public company in terms of the Companies Act of South Africa in respect of the year ended 30 June 2024 and that all such returns are true, correct and up to date.

Donnafeg Msiska
Company Secretary
9 September 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

NATURE OF BUSINESS

The Company is listed on the securities exchange operated by the JSE Limited and is the holding company of a number of subsidiary companies principally engaged in civil engineering and building construction activities in Africa and the United Kingdom.

COMMENTARY

The Group delivered a strong performance for the financial year ended 30 June 2024 and all businesses performed well over the period. The South African business specifically, continues to demonstrate increased activity within certain sectors.

GROUP RESULTS

CONTINUING OPERATIONS

Group revenue from continuing operations increased by 15.8% from R24 billion in FY2023 to R28 billion in the current period. Revenue from South Africa increased by 21% from R16 billion to R19 billion while revenue from the rest of Africa increased by 4.5% from R3 billion to R3.2 billion. The strong growth in South Africa reflects the high levels of work currently on hand within the Roads and earthworks division which achieved 46% growth in the region. The Building and civil engineering division generated growth of 10% supported by elevated activity levels within the civil engineering and renewable energy sectors. Revenue from the UK operations increased by 8% from R5 billion to R5.4 billion, where Byrne Bros. within the Byrne Group had a good year.

Operating profit from continuing operations increased by 18% from R1.1 billion in FY2023 to R1.2 billion at 30 June 2024. Operating profit from the African operations increased from R995 million to R1.2 billion at a combined operating margin of 5.9%. The operating profit from the UK increased from R117 million to R183 million at a margin of 3.4% compared to 2.3% in the prior reporting period.

The consolidated financial statements set out on pages 10 to 72 provide full details of the financial position, results of operations and cash flows for the year ended 30 June 2024.

LOSS FROM DISCONTINUED OPERATIONS

At 30 June 2024, the Group recovered R88 million related to guarantees in Australia that had previously been called on and for which cash-collateral had been provided. R51 million was in respect of legal and administrative fees in pursuing previously called guarantees. A further cost of R4 million was raised in FY2024 to account for legal fees incurred in persuing spuriously called guarantees.

ATTRIBUTABLE EARNINGS

Earnings attributable to equity shareholders from continuing operations amounted to R973 million (2023: R890 million). The total profit attributable to the equity shareholders of the Group amounted to R968 million (2023: R790 million) and the headline earnings attributable to equity shareholders from continuing operations amounted to R1.1 billion (2023: R904 million). A reconciliation between earnings and headline earnings has been disclosed in note 20 of the consolidated financial statements.

SUBSIDIARIES

Details of significant subsidiary companies have been included in Annexure 1. A full list of subsidiary companies is available on request from the Company Secretary.

The holding company is an investment company and consequently, all profits recognised in the consolidated profit or loss were earned by subsidiary companies.

There were no acquisitions or transactions with non-controlling interest in the current reporting period.

LOSSES IN SUBSIDIARIES

Included in the Group's profit before tax from continuing operations of R1.5 billion are pre-tax losses from the following subsidiaries:

Subsidiary	Country of incorporation	Amount of loss
WBHO Tanzania (Pty) Ltd	Tanzania	R18.7 million

SHARE CAPITAL

The Company has 71 018 425 ordinary shares in issue.

Subject to the regulations of the JSE, 5% of the unissued ordinary shares are under the control of the directors until the next annual general meeting (AGM), at which time shareholders will be requested to grant the directors control over 5% of the unissued ordinary shares until the next AGM.

DIVIDENDS

The Group declares dividends dependent upon profits earned and the availability of cash reserves. Having given due consideration to the available cashflows required to meet its operating requirements and the continued re-strengthening of the financial position of the Group necessary to optimise strategic and targeted opportunities, the Board elected to declare a final dividend of 230 cents per share. This together with the interim dividend of 230 cents per share, results in a total dividend of 460 cents for the reporting period ending 30 June 2024.

SHARE SCHEMES

Details of transactions undertaken by the share trusts and empowerment vehicles have been disclosed in note 26 of the consolidated financial statements.

In FY2023, the Akani 2 broad-based empowerment scheme was implemented. Akani 2 and its associated Trusts are considered agents of the Company in terms of accounting principles and the look-through approach is applied when accounting for these entities in preparing the consolidated financial statements.

BORROWING POWERS

In terms of the memorandum of incorporation the Company has unlimited borrowing powers.

DIRECTORATE

Details of the Company's directors are available online at www.wbho.co.za. The business physical address, postal address and Company Secretary details are set out on the first page of the consolidated financial statements.

Mr CV Henwood retired as Chief Financial Officer on 23 November 2023 and Mr AC Logan was appointed by the Board. The directors thank Mr Henwood for his 13 years of service with the Group and wish Mr Logan well in his new role.

In terms of the memorandum of incorporation, Mr RW Gardiner and Mr H Ntene retire by rotation and offer themselves for re-election.

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

DIRECTORS' SHAREHOLDING

The direct and indirect interests of the Directors have been disclosed in note 23 of the consolidated financial statements.

There have been no changes to directors' shareholdings between the reporting date and the date of this report.

RELATED PARTY TRANSACTIONS

Related party transactions have been disclosed in note 23 of the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Full details of the property, plant and equipment have been disclosed in note 2 of the consolidated financial statements.

SPECIAL RESOLUTIONS

The following special resolutions were passed at the 2023 AGM:

SPECIAL RESOLUTION NUMBER 1

Approval of non-executive directors' fees for the 2024 reporting period.

SPECIAL RESOLUTION NUMBER 2

Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or inter-related companies and corporations.

SPECIAL RESOLUTION NUMBER 3

General authority to repurchase company shares.

AUDITORS

PricewaterhouseCoopers (PwC) Incorporated will be the Group's auditors for the 2025 financial year.

GOING CONCERN

The directors have assessed the going concern of the Group over the next 12 months and are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future. As such, the going concern basis has been applied in preparing the financial statements.

EVENTS AFTER THE REPORTING DATE

The Board is not aware of any matter or circumstance arising since the reporting date, not otherwise dealt with in the consolidated financial statements, which significantly affects the financial position of the Group at 30 June 2024 or the results of its operations or cash flows for the year then ended.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

TO THE SHAREHOLDERS OF WILSON BAYLY HOLMES-OVCON LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wilson Bayly Holmes-Ovcon Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Wilson Bayly Holmes-Ovcon Limited's consolidated financial statements set out on pages 10 to 72 comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of financial performance and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

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

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

Independence

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

Our audit approach

Overview

Overall group materiality

- Overall group materiality: R247 million, which represents 0.9% of consolidated revenue from continuing operations.

Group audit scope

- Full scope audits were performed in respect of four significant components.
- An audit of specific account balances were performed on 11 components.
- Analytical review procedures were performed over the remaining components as they were deemed to be financially inconsequential for group scoping purposes

Key audit matters

- Recognition of construction revenue, contract assets and contract liabilities; and
- Impairment assessment of goodwill.

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

Materiality

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2023

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

Overall group materiality	R247 million
How we determined it	0.9% of consolidated revenue from continuing operations.
Rationale for the materiality benchmark applied	We selected consolidated revenue from continuing operations as the benchmark because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings and provides the best indication of the size of the Group. This benchmark has remained a key driver of the Group's business. We chose 0.9% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply to entities operating within this industry.

How we tailored our group audit scope

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

The Group consists of 45 components. Our scoping assessment included consideration of significant components, based on indicators such as the component's contribution to consolidated assets, consolidated revenue from continuing operations as well as risks associated with the component. Based on this assessment we identified four significant components, for which full scope audits were performed. Audits of specific account balances were performed on significant account balances and transactions for a further 11 components as a result of significant account balances and transactions within those components. In order to obtain sufficient and appropriate audit evidence in respect of those components that were considered to be financially inconsequential, the group engagement team performed analytical review procedures in respect of the financial information of these components.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group engagement team and component auditors from other PwC network firms. When the work was performed by component auditors, we determined the level of involvement we needed to have at those components to enable us to conclude on whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2023

Key audit matters

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

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Recognition of construction revenue, contract assets and contract liabilities
Refer to the following sections in the financial statements as it relates to the disclosures in respect of this key audit matter:
• Note 8 "Contracts in progress"
• Note 15 "Revenue"
As of 30 June 2024, the consolidated statement of financial position included contract assets of R1,139 million, contract liabilities of R3,284 million and construction revenue of R26,007 million.
The Group recognises revenue from construction contracts over a period of time where the customer controls the work-in-progress as the asset is constructed, or where the asset being constructed has no alternative use and the Group has an enforceable right to payment for work done to date.
When determining the transaction price of a contract, management is required to make estimates of the value of variations and claims as well as the probability that they will not be reversed. Estimates in respect of variations and contractual claims are determined by applying the contractual rates agreed between the parties to the time taken, activities performed and materials supplied in performing the obligations that relate to such variation orders and contractual claims. Management assesses the probability that any revenue associated with variations and contractual claims will not be reversed in accordance with the Group's rights under the contract, correspondence between the parties and the progress of any negotiations or dispute resolution processes implemented between the parties.
Contract modifications and contractual claims, representing variable revenue, are common within the construction industry. The transaction price is adjusted for approved variations and claims in full. The transaction price for variations and claims is adjusted only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, at the time when the uncertainty associated to the variability is resolved.
The output method, being surveys of work performed, is used to determine the progress towards the satisfaction of the performance obligation under long-term contracts with customers. Contract assets and liabilities may arise because of the assessment of performance obligations.
Contract modifications and contractual claims to existing performance obligations are considered when measuring the revenue over time.
We considered the recognition of construction contract revenue, construction assets and construction liabilities to be a matter of most significance to our current year audit due the significant judgement and estimates applied by the Group in the recognition thereof.
</td><td>
We performed the following audit procedures:
• For a sample of contracts, we performed the following:
– Construction contracts were assessed against the revenue recognition criteria of IFRS 15, focusing on contract classification, allocation of income and cost to performance obligations and timing of transfer of control. Where a contract contained multiple elements, management's judgements were considered as to whether they comprised performance obligations that should be recognised separately, and, in such cases, the judgements made in the allocation of the consideration to each performance obligation were assessed against the contract obligations. We did not identify any material exceptions;
– Obtained an understanding of the performance and status of the contracts through enquiries with management and contract directors who have oversight over the various contracts;
– Tested the contract status through the examination of externally generated evidence, such as approved variations and customer correspondence. We did not identify any material exceptions;
– Analysed, through inspection of contract documentation, the estimates for total forecast revenue and costs to complete, in order to perform a reasonability test of the estimate made by management of the progress made towards completion of the performance obligation. This included considering the historical accuracy of such estimates. We concluded that management's assumptions and estimates were reasonable and no material exceptions were noted;
– In assessing management's estimate of progress, we independently calculated an estimate of the progress made towards completion of the performance obligation, based on the input method and compared it to the survey of work performed which was used to quantify the contract assets and contract liabilities recognised using the output method. We concluded that management's assumptions and estimates were reasonable and no material exceptions were noted;
– Agreed the recognised construction revenue amounts to the externally approved and signed off revenue certificates. We did not identify any material exceptions;
– Critically assessed management's recognised provisions for loss making contracts to determine whether these appropriately reflect the expected contractual positions. We concluded that management's assumptions and estimates were reasonable and no material exceptions were noted; and
– Evaluated the recoverability of contract assets and the related receivables. We did not identify any material exceptions.
• We assessed the adequacy of the disclosure made in the consolidated financial statements with reference to the disclosure requirements of IFRS 15. We did not identify any material exceptions.
</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2023

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Impairment assessment of goodwill

Refer to the following sections in the financial statements as it relates to the disclosures in respect of this key audit matter:

- Note 4 "Goodwill"

As at 30 June 2024, the Group recognised goodwill with a carrying amount of R500 million which included an accumulated impairment of R86 million. The goodwill relates to the WBHO Pipelines division and Russell WBHO cash generating units ("CGUs").

The Group tests goodwill annually for impairment, or more frequently if circumstances indicate that goodwill may be impaired. In determining the recoverable amounts of the CGUs, the Group has applied value in use methodology, which incorporates discounted cash flows. This is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks to the CGU.

In determining the value in use, the Group applies estimates and assumptions with regard to the determination of:

- cash flow projections which take into account current order book levels, the number and availability of projects in the forward-looking pipeline, the 12-month budget for the following reporting period with growth projections over a five year period and the existing and future expected cost base of the CGU;
- the pre-tax discount rates which are adjusted for risk factors inherent to the market or sector in which the CGU operates, risk factors that are unique to the CGU as well as the volatility of the CGU to material movement; and
- the growth rates and terminal growth rates.

We considered the impairment assessment of goodwill to be a matter of most significance to our current year audit due to:

- the magnitude of the goodwill balance and related impairments to the consolidated financial statements; and
- the level of judgement and estimation applied by the Group in the assessment of impairment.

</td><td>

Our procedures included:

We obtained management's value in use calculations that supports the determination of the recoverable amount of each CGU and performed the following:

- tested the mathematical accuracy of the calculation noting no material exceptions; and
- evaluated the appropriateness of the methodologies applied against the requirements of IAS 36 - Impairment of Assets ("IAS 36") and industry standards.

We challenged the reasonableness of the assumptions underpinning the models, including the discount rates used, long-term growth rates and cash flow forecasts. This was achieved through:

  - Enquiries with management;
  - Assessment of the reasonableness of projected future cash flows by comparison to historical performance and future outlooks;
  - Assessment of the reasonability of the discount rates by comparison against relevant market information. This was achieved by making use of our internal valuation's expert; and
  - Compared prior year forecasts against current year actual results to assess management's ability to prepare credible forecasts. We did not identify any material exceptions.
- We furthermore assessed whether the significant assumptions have been determined and applied consistently year on year and across the Group. We concluded that management's assumptions and estimates were reasonable and no material exceptions were noted; and
- We assessed the adequacy of the disclosure made in the consolidated financial statements with reference to the disclosure requirements of IAS 36.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "WBHO Group Annual Financial Statements and WBHO Company Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Statement of Compliance by the Audit Committee and the Statement of Compliance by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "WBHO Integrated Report 2024", which is expected to be made available to us after that date. The other information does not include the consolidated and company financial statements and our auditor's report thereon.

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

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

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2023

Responsibilities of the directors for the consolidated financial statements

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Wilson Bayly Holmes-Ovcon Limited for 1 year.

PricewaterhouseCoopers Inc.
Director: AJ Rossouw
Registered Auditor
Johannesburg, South Africa

10 September 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	2024 R 000	2023 R 000
ASSETS			
Non-current assets			
Property, plant and equipment	2	**2 330 575**	2 111 201
Right-of-use assets	3	**156 381**	158 688
Goodwill	4	**500 243**	602 317
Interests in associates and joint ventures	5	**699 783**	702 715
Long-term receivables	6	**158 940**	39 755
Deferred tax	11	**526 822**	478 474
Total		**4 372 744**	4 093 150
Current assets			
Inventories	7	**429 735**	430 462
Contract assets	8	**1 138 717**	776 031
Trade and other receivables	9	**5 648 784**	5 435 850
Current tax assets		**111 767**	226 241
Cash and cash equivalents	28.6	**3 660 049**	3 684 687
Total		**10 989 052**	10 553 271
Total assets		**15 361 796**	14 646 421
EQUITY			
Capital and reserves			
Share capital		**27 702**	27 702
Non-distributable reserves		**33 556**	33 609
Foreign currency translation reserve		**(35 280)**	138 530
Retained earnings		**4 506 843**	3 664 564
Shareholders' equity		**4 532 821**	3 864 405
Non-controlling interests	12	**145 092**	136 506
Total		**4 677 913**	4 000 911
LIABILITIES			
Non-current liabilities			
Long-term liabilities	10	**257 765**	327 157
Lease liabilities	3	**128 214**	131 617
Deferred tax	11	**9 107**	33 197
Total		**395 086**	491 971
Current liabilities			
Contract liabilities	8	**3 284 249**	2 426 624
Trade and other payables	13	**4 705 193**	5 043 441
Provisions	14	**2 214 054**	2 650 533
Current tax liabilities		**85 301**	32 941
Total		**10 288 797**	10 153 539
Total equity and liabilities		**15 361 796**	14 646 421

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R 000	2023 R 000
Continuing operations			
Revenue	15	**27 525 577**	23 768 747
Operating costs		**(25 026 948)**	(21 725 999)
Administrative expenses		**(1 278 938)**	(1 015 824)
Other income		**27 069**	31 070
Operating profit	16	**1 246 760**	1 057 994
Share of profits from associates and joint ventures	5	**95 861**	130 870
Loss on disposal of associate		**–**	(19 762)
Finance income	17	**266 387**	188 866
Finance costs	17	**(68 003)**	(63 643)
Profit before taxation		**1 541 005**	1 294 325
Income tax expense	18	**(487 713)**	(360 418)
Profit for the year from continuing operations		**1 053 292**	933 907
Loss from discontinued operations	22	**(4 749)**	(100 191)
Profit for the year		**1 048 543**	833 716
Other comprehensive income			
Items that will be reclassified to profit or loss			
Currency effect of translation of foreign operations		**(112 419)**	124 890
Translation of foreign operations reclassified to profit and loss on derecognition		**(18 193)**	–
Translation of net investment in a foreign operation		**(31 269)**	174 525
Tax effect of above items		**8 443**	(47 122)
Share of other comprehensive income from associates, net of tax	5	**(6 067)**	40 502
Other comprehensive (loss)/ income		**(159 505)**	292 795
Total comprehensive income for the year		**889 038**	1 126 511
Profit from continuing operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**972 911**	890 374
Non-controlling interests		**80 381**	43 533
		1 053 292	933 907
Loss from discontinued operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**(4 749)**	(100 191)
Non-controlling interests		**–**	–
		(4 749)	(100 191)
Profit from total operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**968 162**	790 183
Non-controlling interests		**80 381**	43 533
		1 048 543	833 716
Total comprehensive income attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**812 358**	1 065 480
Non-controlling interests		**76 680**	61 031
		889 038	1 126 511
Earnings/(loss) per share (cents)	20		
Basic earnings/(loss) per share			
Continuing		**1 853.3**	1 678.6
Discontinued		**(9.0)**	(188.9)
Total		**1 844.3**	1 489.7
Diluted earnings/(loss) per share			
Continuing		**1 851.5**	1 678.6
Discontinued		**(9.0)**	(188.9)
Total		**1 842.4**	1 489.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Number of ordinary shares issued	Number of shares held by share trusts	Net shares issued to the public
Balance at 30 June 2022		59 890 514	6 693 597	53 196 917
Share issue in respect of Akani 2	26.4	14 511 669	14 511 669	–
Treasury shares acquired		–	828 767	(828 767)
Share buy-back in respect of Akani 1		(3 383 758)	(3 383 758)	–
Transfer of reserves in trusts relating to Akani 1		–	–	–
Total comprehensive income for the year		–	–	–
Profit for the year from continuing operations		–	–	–
Loss for the year from discontinued operations		–	–	–
Other comprehensive loss for the year		–	–	–
Share-based payments expense		–	–	–
Share-based payment settlement		–	–	–
Decrease in equity loan from NCI		–	–	–
Acquisition of NCI without a change in control	12	–	–	–
Balance at 30 June 2023		**71 018 425**	**18 650 275**	**52 368 150**
Treasury shares sold		**–**	**(319 501)**	**319 501**
Total comprehensive income for the year		**–**	**–**	**–**
Profit for the year from continuing operations		**–**	**–**	**–**
Loss for the year from discontinued operations		**–**	**–**	**–**
Other comprehensive income for the year		**–**	**–**	**–**
Dividend paid		**–**	**–**	**–**
Share-based payments expense		**–**	**–**	**–**
Share-based payment settlement		**–**	**–**	**–**
Share options exercised		**–**	**–**	**–**
Balance at 30 June 2024		**71 018 425**	**18 330 774**	**52 687 651**
Authorised share capital				
- ordinary shares of no par value		100 000 000		
- redeemable preference shares of no par value		20 000 000		

There were no changes to the authorised share capital during the current year.

Share capital R 000	Foreign currency translation reserve R 000	Non-distributable reserve R 000	Retained earnings R 000	Shareholders' equity R 000	Non-controlling interests R 000	Total equity R 000
28 565	(136 767)	66 653	2 896 588	2 855 039	81 255	2 936 294
145	–	–	–	145	–	145
(974)	–	–	–	(974)	–	(974)
(34)	–	–	–	(34)	–	(34)
–	–	(68 861)	(17 796)	(86 657)	–	(86 657)
–	275 297	–	790 183	1 065 480	61 031	1 126 511
–	–	–	890 374	890 374	43 533	933 907
–	–	–	(100 191)	(100 191)	–	(100 191)
–	275 297	–	–	275 297	17 498	292 795
–	–	43 508	–	43 508	–	43 508
–	–	(7 691)	–	(7 691)	–	(7 691)
–	–	–	–		(6 810)	(6 810)
–	–	–	(4 411)	(4 411)	1 030	(3 381)
27 702	**138 530**	**33 609**	**3 664 564**	**3 864 405**	**136 506**	**4 000 911**
–	**–**	**–**	**–**	**–**	**–**	**–**
–	**(173 810)**	**–**	**968 162**	**794 351**	**76 680**	**871 031**
–	**–**	**–**	**972 911**	**972 911**	**80 381**	**1 053 292**
–	**–**	**–**	**(4 749)**	**(4 749)**	**–**	**(4 749)**
–	**(173 810)**	**–**	**–**	**(173 811)**	**(3 701)**	**(177 512)**
–	**–**	**–**	**(125 883)**	**(125 883)**	**(68 094)**	**(193 977)**
–	**–**	**46 879**	**–**	**46 879**	**–**	**46 879**
–	**–**	**(91 101)**	**–**	**(91 101)**	**–**	**(91 101)**
–	**–**	**44 169**	**–**		**–**	**44 169**
27 702	**(35 280)**	**33 556**	**4 506 843**	**4 532 821**	**145 092**	**4 677 913**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R 000	2023 R 000
Cash flows from operating activities			
Operating profit from continuing operations before working capital requirements		**1 746 528**	1 239 112
Working capital changes		**(711 461)**	322 847
Cash generated from operations	28.1	**1 035 067**	1 561 959
Dividends received		**59 525**	164 109
Finance income		**225 164**	163 507
Finance costs		**(66 810)**	(65 531)
Income tax paid	28.2	**(394 786)**	(483 905)
Dividend paid		**(193 977)**	–
Net cash flow from operating activities		**664 183**	1 340 140
Cash flow from investing activities			
Receipts from repayments of long-term receivables		**29 211**	71 140
Acquisition of subsidiaries, net of cash		**–**	(209 392)
Loans advanced to associates and joint ventures		**(218 244)**	(353 437)
Loans repaid by associates and joint ventures		**161 881**	285 367
Repayment of investment in associates and joint ventures		**8 911**	–
Proceeds on sale of associate		**–**	6 688
Short-term loans advanced		**(159 791)**	(21 700)
Short-term loans repaid		**145 661**	14 200
Proceeds on disposal of property, plant and equipment		**86 427**	47 033
Acquisition of property, plant and equipment		**(221 133)**	(191 567)
Recovery of guarantees in Australia	22	**87 559**	–
Payment to settle obligations in Australia	22	**(50 769)**	(782 114)
Net cash flow utilised in investing activities		**(130 287)**	(1 133 782)
Cash flow from financing activities			
Acquisition of NCI without a change in control	12	**–**	(3 190)
Loan repaid to NCI	12	**–**	(6 810)
Bank loans advanced	28.5	**–**	350 000
Bank loans repaid	28.5	**(117 693)**	(184 050)
Loan repaid to related parties	28.5	**–**	(9 908)
Purchase of shares for equity-settled incentives		**(91 101)**	(5 253)
Treasury shares acquired		**–**	(89 901)
Payments in respect of instalment sale agreements	28.3	**(266 358)**	(133 908)
Payments in respect of lease liabilities	28.4	**(38 593)**	(46 877)
Net cash flow utilised in financing activities		**(513 745)**	(129 897)
Increase in cash and cash equivalents for the year		**20 151**	76 460
Foreign currency translation effect on cash balances		**(44 789)**	268 997
Cash and cash equivalents at the beginning of the year		**3 684 687**	3 339 230
Cash and cash equivalents at the end of the year	28.6	**3 660 049**	3 684 687

MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2024

REPORTING ENTITY

Wilson Bayly Holmes-Ovcon Limited (the Company) is a company domiciled in South Africa. The address of the Company is 53 Andries Street, Wynberg, Sandton, 2090. The consolidated financial statements of the Company as at and for the period ended 30 June 2024 comprise the Company, its subsidiaries, joint arrangements and associates (together referred to as the Group). The Group is principally engaged in civil engineering and building construction activities in Africa and the United Kingdom.

STATEMENT OF COMPLIANCE

The consolidated financial statements (financial statements) have been prepared in accordance with the IFRS® Accounting Standards (Accounting Standards), the IFRIC® Interpretations (IFRIC) issued by the IFRS Interpretations Committee (IFRS IC), the JSE Listings Requirements, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, 71 of 2008, of South Africa.

BASIS OF PREPARATION

The consolidated financial statements have been rounded to the nearest thousand rand and have been prepared under the historical cost convention, as modified by financial assets and financial liabilities recognised at fair value through profit or loss and the application of the equity method of accounting for investments in associated companies and joint ventures. The expenses recognised in operating and administrative costs in profit or loss are classified based on their function within the Group. The accounting policies adopted have been consistently applied throughout the Group to all the periods presented. The financial statements have been prepared on the going concern basis.

The financial statements are presented in South African Rands, which is the functional currency of the holding company of the Group. The separate financial statements of the Company are available at the Company's registered address and on the Company's website.

CHANGES TO ACCOUNTING POLICY DISCLOSURES

An amendment to the Accounting Standards disclosure requirements pertaining to accounting policies became effective in the current reporting period. The change requires that only material accounting policies be disclosed. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Management has performed a review of the accounting policy disclosures, identifying those that are immaterial or irrelevant disclosures, which have then been removed. This assessment was based on the guidance contained within the Accounting Standards.

An entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

- the entity chose the accounting policy from one or more options permitted by the Accounting Standards;
- the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy; or
- the accounting required is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

SIGNIFICANT JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect the application of the Group's accounting policies and recognised amounts of assets, liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Significant judgements and estimates include:

	Note reference	Judgement/estimate relates to	Judgement/critical estimate
Leases	Note 3	Determining the lease term	Judgement
Goodwill	Note 4	Impairment of goodwill	Estimate
Provisions	Note 14	Uncertainties around timing and amount	Judgement and estimates
Revenue recognition	Note 15	Determining the transaction price of a contract	Estimate
Expected credit loss	Note 24.2	Measurement of expected credit losses	Judgement and estimates
Agency accounting	Note 26.5	Determining the accounting treatment of the entities established for the purpose of the Akani 2 employee share scheme.	Judgement

MATERIAL ACCOUNTING POLICIES CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

ASSOCIATES

The Group has investments in entities where the Group exercises significant influence. These investments are classified as associates and accounted for using the equity method (note 5).

The Group generally considers investment holdings between 20% and 50% of voting power as significant influence. In instances where the Group holds less than 20% of voting rights, the Group has significant influence over the entity if the Group has representation on the board of directors of that entity.

JOINT ARRANGEMENTS

Joint arrangements are arrangements in which the Group has joint control and are classified either as joint ventures (note 5) which are equity accounted or joint operations (annexure 2) which are proportionately consolidated. The classification of these arrangements depends on the nature of the agreement between the parties.

Joint operations are arrangements where the parties have joint control of the assets and have a joint obligation in respect of liabilities pertaining to the arrangement. The financial and operating decisions in respect of joint operations require the unanimous consent of all the parties. Joint operations in which the Group is a party, are usually unincorporated contractual arrangements and are established for the purpose of constructing a single project.

A joint venture is an arrangement in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

FOREIGN CURRENCY

FOREIGN OPERATIONS

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to a non-controlling interest.

The functional currency of foreign operations is the currency of the primary economic environment in which the entity operates. The functional currency is determined based on consideration of indicators required per the applicable Accounting Standard, including consideration of the following:

- the currency that mainly influences sales prices for its goods and services;
- the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- the currency that mainly costs of providing goods and services amongst other factors if these are not conclusive.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is attributed to NCI. When the Group disposes of part of an associate or joint arrangement but retains significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are recognised in profit or loss.

SHARE CAPITAL

ORDINARY SHARES

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

TREASURY SHARES

Where subsidiaries or special purpose entities (share trusts) hold ordinary shares in the parent, these shares are treated as treasury shares. The consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity and presented separately as treasury shares.

Such shares are held by special purpose entities for the various employment schemes of the Group. Shares issued to, or held by, share incentive plans within the Group are treated as treasury shares until such time as the shares or options vest or are cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. STANDARDS AND INTERPRETATIONS

The Group has applied the following standards for the first time in the current reporting period:

Standard	Effective date for annual periods commencing on or after:	Description
Disclosure of Accounting Policies (Amendment to IAS 1)	1 January 2023	The amendment replaces the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information. The amendment provides guidance on when accounting policy information is considered material. This amendment will not have an impact on the amounts disclosed in the financial statements.
Definition of Accounting Estimates (Amendment to IAS 8)	1 January 2023	The amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. No impact as the principle is already applied correctly by management.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023	The amendments clarify that the initial recognition exemption set out in IAS 12.15 does not apply to certain transactions that result in both an asset and a liability being recognised simultaneously, such as IFRS 16 leases and similar transactions. The amendment thus requires an entity to recognise deferred tax on these transactions which will give rise to equal amounts of taxable and deductible temporary differences on initial recognition. This amendment will not have a material impact on the amounts disclosed in the financial statements.
IFRS 17 Insurance Contracts	1 January 2023	The IASB issued IFRS 17 to replace IFRS 4 and covers the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 is applicable to the parent company guarantees that the holding Company issues to its subsidiaries. Management has assessed the impact of IFRS 17 on these parent company guarantees and has determined that the new standard will not have an impact on the amounts disclosed in the financial statements of the Group as these guarantees eliminate on consolidation.

At the date of authorisation of these financial statements, there are a number of new standards, amendments and interpretations which will only be effective after 30 June 2024 and have not been early adopted by the Group. The adoption of the standards, amendments and interpretations below are not expected to have a material impact on the Group in the future reporting periods.

Standard	Effective date for annual periods commencing on or after:	Description
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024	The amendments clarify that the classification of liabilities as current or non-current is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. It further states that classification is unaffected by an entity's intention to exercise its right to defer settlement of a liability. The amendment further clarifies the definition of a settlement to be a transfer to the counterparty that results in the extinguishment of the liability.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking and require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. Management has not yet assessed the impact of these amendments.
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 will replace IAS 1 Presentation of financial statements. The new standards carries forward many of the requirements of IAS 1 and introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures in the notes to the financial statements; • improve aggregation and disaggregation. Management has not yet assessed the impact IFRS 18 but this standard is expected to have an impact of the presentation and disclosure of the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is measured at costs less accumulated impairment losses.

Depreciation

Items of property, plant and equipment are depreciated to their estimated residual values over their expected useful lives. Depreciation is recognised in profit or loss unless it is capitalised to the cost of another asset. Land is not depreciated. The Group considers the expected use of the item of property, plant and equipment and historical experience when determining the useful life of property, plant and equipment. The depreciation methods, estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The depreciation rates applied are set out below:

Aircraft	Variable rates based on flying hours
Buildings	50 years straight-line
Plant and vehicles	Variable based on expected production units
Equipment	3 years straight-line
Office and computer equipment	3 to 10 years straight-line

Impairment

Property, plant and equipment is assessed annually for indicators of impairment. The Group considers market-related selling prices, physical damage and significant increases in the costs to maintain an asset as evidence of impairment.

Derecognition

Gains and losses on disposal of property, plant and equipment are determined by deducting the carrying amount of the assets from the proceeds from disposal and are recognised either in operating costs or in administrative expenses depending on its use within the business.

NOTE

	Land and buildings R 000	Aircraft R 000	Plant, vehicles and equipment R 000	Office and computer equipment R 000	Total R 000
Cost					
At 1 July 2023	546 835	61 214	3 460 941	102 387	4 171 377
Additions	6 811	–	507 990	18 477	533 278
Disposals	(120)	–	(141 137)	(8 686)	(149 943)
Exchange rate effect	(9 417)	–	34 631	(838)	24 376
At 30 June 2024	544 109	61 214	3 862 425	111 340	4 579 088
Accumulated depreciation and impairment losses					
At 1 July 2023	89 461	5 460	1 888 006	77 249	2 060 176
Depreciation	10 451	677	273 869	11 441	296 438
Disposals	(120)	–	(78 187)	(7 854)	(86 161)
Exchange rate effect	(1 260)	–	(20 030)	(650)	(21 940)
At 30 June 2024	98 532	6 137	2 063 658	80 186	2 248 513
Carrying amount at 30 June 2024	445 577	55 077	1 798 767	31 154	2 330 575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings R 000	Aircraft R 000	Plant, vehicles and equipment R 000	Office and computer equipment R 000	Total R 000
Cost					
At 1 July 2022	315 515	61 214	2 987 112	95 167	3 459 008
Additions	3 348	–	497 083	9 799	510 230
Acquisition through business combination	201 336	–	8 055	–	209 391
Disposals	(21 593)	–	(134 565)	(7 054)	(163 212)
Exchange rate effect	48 229	–	103 256	4 475	155 960
At 30 June 2023	546 835	61 214	3 460 941	102 387	4 171 377
Accumulated depreciation and impairment losses					
At 1 July 2022	90 255	4 338	1 730 129	71 679	1 896 401
Depreciation - continuing operations	10 432	1 122	182 246	8 628	202 428
Disposals	(18 035)	–	(100 608)	(6 651)	(125 294)
Exchange rate effect	6 809	–	76 239	3 593	86 641
At 30 June 2023	89 461	5 460	1 888 006	77 249	2 060 176
Carrying amount at 30 June 2023	457 374	55 754	1 572 935	25 138	2 111 201

The carrying amount of land and buildings comprises:

	2024 R 000	2023 R 000
Land	**290 648**	239 611
Buildings	**154 929**	217 763
	445 577	457 374

Plant to the value of R312 million (2023: 368 million) was acquired through instalment sale agreements during the reporting period. Plant, vehicles and equipment with a carrying amount of R511 million (2023: R368 million) are encumbered by instalment sale agreements (note 10).

Capital commitments

Capital commitments include expenditure relating to property, plant and equipment for which specific Board approval has been obtained. Expenditure on estimated commitments will occur within the next reporting period. Capital commitments will be funded from internal cash resources and existing finance facilities.

	2024 R 000	2023 R 000
Authorised and contracted for	**119 761**	80 505
Authorised but not yet contracted for	**420 877**	490 634
	540 638	571 139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

3 LEASES

The Group enters into leases in respect of buildings and vehicles. Lease terms are negotiated on an individual basis. Lease terms for vehicles are for a period of 3 years. The lease terms for buildings vary in length, and range from month-to-month agreements up to 20 years. Month-to-month lease agreements relate to site accommodation.

Leases for site accommodation are negotiated based on terms and conditions specific to a project and lease terms are dependent on the project lifecycle. These leases are subject to IFRS 16's recognition exemptions, being short-term leases. The Group does not expect a change in the portfolio of short-term leases in future periods. Short-term and low-value lease expenses have been disclosed in note 16.

ACCOUNTING POLICY

The recognition exemptions for leases of low value assets and short-term leases have been applied and the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.
At commencement of, or on modification of, a lease contract, the Group allocates the consideration to each lease component on the basis of its relative stand-alone price. For the lease of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group uses entity specific incremental borrowing rates as the discount rate in the measurement of lease liabilities. The rates are obtained from various external financing sources specific to each geographical region in which the leases are entered in to.

The Group applies significant judgement in determining the lease term. This includes consideration of all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably likely that options will be exercised by considering factors such as current market lease rates and availability of similar assets. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). All future cash flows to which the Group is exposed have been included in the measurement of lease liabilities.
Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term and are assessed for impairment whenever there is an indicator of impairment.

The Group presents right-of-use assets and the non-current portion of lease liabilities as separate line items in the statement of financial position. The current portion of lease liabilities is included in trade and other payables.

NOTE

Lease modifications

The Group has remeasured certain lease liabilities and the relating right-of-use assets as a result of extension or termination options being exercised which were not previously included in the determination of the lease terms, as well as changes in future lease payments resulting from a market rent review.

In the prior reporting period, a lessor exercised a termination option for a lease held with the Byrne Group. The lease liability and relating right of use asset was derecognised on 1 January 2023. Prior to the lease termination the remaining lease term was five years. The effect of the lease termination on the carrying amounts of the right-of-use assets and the lease liabilities have been disclosed in the accompanying tables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

3 LEASES (CONTINUED)

Right-of-use assets

Cost	**Buildings R 000**	**Vehicles R 000**	**Total R 000**
At 1 July 2023	**272 614**	**11 894**	**284 508**
Additions	**21 406**	**6 606**	**28 012**
Lease extensions	**14 057**	**–**	**14 057**
Derecognition relating to expired leases	**(2 525)**	**(6 749)**	**(9 274)**
Derecognition relating to lease terminations	**(8 884)**	**–**	**(8 884)**
Exchange rate effects	**(8 516)**	**(356)**	**(8 872)**
At 30 June 2024	**288 152**	**11 395**	**299 547**
Accumulated depreciation			
At 1 July 2023	**119 380**	**6 440**	**125 820**
Depreciation	**33 028**	**4 673**	**37 701**
Derecognition relating to expired leases	**(2 525)**	**(6 749)**	**(9 274)**
Derecognition relating to lease terminations	**(6 268)**	**–**	**(6 268)**
Exchange rate effects	**(4 672)**	**(141)**	**(4 813)**
At 30 June 2024	**138 943**	**4 223**	**143 166**
Carrying amount at 30 June 2024	**149 209**	**7 172**	**156 381**
Cost			
At 1 July 2022	369 416	8 719	378 135
Additions	33 452	3 688	37 140
Lease extensions	4 315	–	4 315
Derecognition relating to expired leases	(7 343)	(2 423)	(9 766)
Derecognition relating to lease terminations	(174 739)	–	(174 739)
Exchange rate effects	47 513	1 910	49 423
At 30 June 2023	272 614	11 894	284 508
Accumulated depreciation			
At 1 July 2022	142 726	4 796	147 522
Depreciation	42 593	3 027	45 620
Derecognition relating to expired leases	(7 343)	(2 423)	(9 766)
Derecognition relating to terminated leases	(76 448)	–	(76 448)
Exchange rate effects	17 852	1 040	18 892
At 30 June 2023	119 380	6 440	125 820
Carrying amount at 30 June 2023	153 234	5 454	158 688

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

3 LEASES (CONTINUED)

Lease liabilities

	2024 R 000	2023 R 000
At 1 July 2023	**168 067**	242 932
Additions	**28 012**	37 145
Finance costs on lease liabilities	**7 353**	6 180
Lease payments	**(47 179)**	(53 057)
Lease extensions	**14 057**	4 315
Lease terminations	**(3 873)**	(100 748)
Foreign exchange movements	**(3 719)**	31 300
At 30 June 2024	**162 718**	168 067
Less: current portion (note 13)	**(34 504)**	(36 450)
	128 214	131 617
Maturity analysis of lease liabilities		
Due within one year	**42 236**	41 947
Due between two and five years	**114 023**	109 947
Due between six and eight years	**15 236**	15 979
Due between nine and ten years	**4 591**	4 734
Due between eleven and twenty years	**18 363**	21 303
	194 449	193 910
Less: Future finance costs	**(31 731)**	(25 843)
	162 718	168 067

4 GOODWILL

ACCOUNTING POLICY

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirers' previously held interest in the acquiree, the excess is recognised immediately in profit or loss as a gain on bargain purchase.

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it may be impaired.

When testing for impairment, assets are grouped together in the smallest grouping of assets that generate cash inflows through continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

Goodwill arising on the acquisition of associates or joint ventures is included in the investment.

On disposal of a subsidiary, the attributable goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

4 GOODWILL (CONTINUED)

NOTE

		2024 R 000	2023 R 000
Cost		**684 918**	684 918
Accumulated impairment		**(106 622)**	(20 635)
Exchange rate effects		**(78 053)**	(61 966)
Carrying amount		**500 243**	602 317
The carrying amount of goodwill is reconciled as follows:			
Carrying amount at 1 July		**602 317**	512 532
Impairment of goodwill		**(85 987)**	–
Exchange rate effects		**(16 087)**	89 785
Carrying amount at 30 June		**500 243**	602 317
Business segment:	Cash generating unit:		
Roads and earthworks	WBHO Pipelines division	**70 545**	70 545
United Kingdom	Russell WBHO	**429 698**	531 772
		500 243	602 317

Impairment of goodwill assessment

The recoverable amount of each identified CGU has been determined using the value in use methodology incorporating discounted cash flows. Discount rates are based on pre-tax weighted average cost of capital incorporating risk-free rates aligned with the tenure of the valuation period and are adjusted for risk factors inherent to the market or sector in which the CGU operates, risk factors unique to the CGU and the volatility of the CGU to material movement. A terminal growth rate, being the estimated pace at which the CGU is expected to continue to expand beyond the projected growth period, is applied to the free cash flows of the latest projected growth period. High value mega-projects that may be included in the projected growth period are not included in the terminal growth rate used due to their infrequent nature.

For each CGU, cash flow projections take in to account the following:

- current order book levels;
- the number and availability of projects in the forward-looking pipeline;
- the 12-month budget for the following reporting period and growth projections for a further four-year period;
- terminal growth rate; and
- the existing and future expected cost base of the CGU.

The growth rates used in the valuation of the recoverable amounts represent management's assessment of future trends relevant to each CGU taking into accounts the inputs above and using published industry data where available.

RUSSELL WBHO

An impairment of £3.7 million has been recognised in respect of the goodwill pertaining to Russell WBHO. The forecast cashflows relied upon in the valuation performed in FY2024 did not materialise as envisaged following the suspension of a £100 million project in which the business had commenced the groundworks and demolition components but had yet to agree the final contract price.

The UK construction market is expected to have bottomed out in FY2024. Interest rate cuts have improved sentiment in the region and economic growth rates have been forecast upwards. Procurement activity in the construction sector improved after the reporting period. Based on the level of secured work at the reporting date, additional awards secured since the reporting date and imminent prospects under pre-construction service agreements, the business is expected to grow by 26% in FY2025 and more moderately for the remainder of the projected growth period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

4 GOODWILL (CONTINUED)

PIPELINES

During FY2019, the Group was awarded a R1 billion contract for the construction of a pipeline in KZN. In FY2020, the project was suspended due to community unrest. The contract has not been terminated and the Group continues to perform care and maintenance duties. Discussions to reprice the project have commenced and the project is expected to begin in the second half of 2025. The division is also the preferred bidder on a multi-billion-rand project in Limpopo expected to commence in the first half of 2025. The cashflows for these project are included in the forecast growth period and affect the growth rates applied.

The table below illustrates the growth and discount rates used in determining the recoverable amounts as well as the amount by which the assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	Russell WBHO	WBHO Pipelines division
2024		
Average forecast growth rate over 5-year period (%)	**13**	**208**
Terminal growth rate (%)	**2**	**5**
Change in growth rate resulting in recoverable amount being equal to the carrying amount before impairment (%)	**5**	**(302)**
Pre-tax discount rate (%)	**13**	**24**
Change in pre-tax discount rate resulting in recoverable amount being equal to the carrying amount before impairment (%)	**(2)**	**9**
2023		
Average forecast growth rate over 5-year period (%)	41	28
Terminal growth rate (%)	2	5
Change in growth rate resulting in recoverable amount being equal to the carrying amount (%)	(15)	(7)
Pre-tax discount rate (%)	15	28
Change in pre-tax discount rate resulting in recoverable amount being equal to the carrying amount (%)	21	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTERESTS IN ASSOCIATES AND JOINT VENTURES

ACCOUNTING POLICY

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income of associates and joint ventures, up until the date on which significant influence or joint control ceases.

The carrying amounts of interests in associates and joint ventures are assessed annually for impairment.

Loans to associates and joint ventures which form part of the net investment of the entity or arrangement, are accounted for and considered for impairment in accordance with IFRS 9. Refer to note 24 for the applicable accounting policy, expected credit loss (ECL) considerations and credit risk disclosures relating to loans to associates and joint ventures.

NOTE

	2024 R 000	2023 R 000
Investment at cost	**143 567**	135 550
Additional equity contributions	**77 668**	113 693
Equity investment	**221 235**	249 243
Attributable post-acquisition profits and losses	**326 286**	305 183
	547 521	554 426
Loans to associates and joint ventures	**550 566**	448 194
	1 098 087	1 002 620
Less: current portion of loans to associates and joint ventures, net of ECL (note 9)	**(398 304)**	(299 905)
	699 783	702 715
The interest in associates and joint ventures is reconciled as follows:		
Carrying amount at 1 July	**1 002 620**	903 278
Share of profits and losses	**95 861**	130 870
Share of other comprehensive income	**(6 067)**	40 502
Dividends received	**(59 525)**	(179 201)
Repayment of equity contribution	**(8 911)**	(2 217)
Disposal of associate	**–**	(56 248)
Loans advanced	**265 984**	374 587
Loans repaid	**(178 092)**	(280 887)
Loss allowance movement	**(184)**	(860)
Exchange rate effects	**(13 599)**	72 796
Carrying amount at 30 June	**1 098 087**	1 002 620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTERESTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Investments at cost	Country of incorporation	EFFECTIVE INTEREST 2024 %	EFFECTIVE INTEREST 2023 %	COST 2024 R 000	COST 2023 R 000
Associates					
Power and gas					
Gigajoule International (Pty) Ltd	South Africa	**26.6**	26.6	**31 835**	31 835
Gigajoule Power (Pty) Ltd	South Africa	**26.0**	26.0	**7 657**	7 657
Construction					
Ilembe Airport Construction Services (Pty) Ltd	South Africa	**29.3**	29.3	**3**	3
Serviced accommodation					
Tshala Bese Uyavuna (RF) (Pty) Ltd	South Africa	**32.5**	32.5	**325**	325
Dipalopalo Concession (RF) (Pty) Ltd	South Africa	**27.7**	27.7	**–**	–
Dipalopalo FM Solutions (RF) (Pty) Ltd	South Africa	**14.6**	14.6	**–**	–
Property development					
19 on Loop (Pty) Ltd	South Africa	**20.0**	20.0	**18 801**	18 801
Russell Homes Limited	England	**31.7**	31.7	**74 601**	76 928
Joint ventures					
Property development					
Catchu Trading (Pty) Ltd	South Africa	**–**	50.0	**–**	1
Lizcobiz (Pty) Ltd	South Africa	**50.0**	–	**10 345**	–
				143 567	135 550

	2024 R 000	2023 R 000
Loans		
Dipalopalo Concession (RF) (Pty) Ltd	**51 330**	49 329
Russell Homes Limited	**399 222**	300 657
Tshala Bese Uyavuna (RF) (Pty) Ltd	**97 843**	97 924
19 on Loop (Pty) Ltd	**4 021**	1 951
Less: Loss allowance (note 24.2)	**(1 850)**	(1 667)
	550 566	448 194
Less: current portion of loans to associated and joint ventures (note 9)	**(398 304)**	(299 905)
	152 262	148 289
Equity contributions		
Gigajoule Power (Pty) Ltd	**77 668**	83 633
Catchu Trading (Pty) Ltd	**–**	30 060
	77 668	113 693

The Group has significant influence over Dipalopalo FM Solutions (RF) (Pty) Ltd through its investment in Dipalopalo Concession (RF) (Pty) Ltd and through board representation.

Loans to associates and joint ventures will not be repaid within the next 12 months in terms of the loan agreements and bear interest between 0% and 15% per annum. The loan facility to Russell Homes is renewable annually and has been classified as current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTERESTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

A reconciliation of significant interests in associates and joint ventures is as follows:

	Gigajoule International Group R 000	Tshala Bese Uyavuna (RF) (Pty) Ltd R 000	Dipalopalo Concession (RF) (Pty) Ltd R 000	Russell Homes Limited R 000	Other R 000	Total R 000
2024						
Investment at cost	**39 492**	**325**	**–**	**74 602**	**29 148**	**143 567**
Equity contributions	**77 668**	**–**	**–**	**–**	**–**	**77 668**
Equity investment	**117 160**	**325**	**–**	**74 602**	**29 148**	**221 235**
Post-acquisition gains less dividends received	**269 987**	**3 989**	**21 854**	**17 010**	**13 446**	**326 286**
Carrying amount at 30 June	**387 147**	**4 314**	**21 854**	**91 612**	**42 594**	**547 521**
Loans to associates and joint ventures	**–**	**97 232**	**51 010**	**398 304**	**4 020**	**550 566**
	387 147	**101 546**	**72 864**	**489 916**	**46 614**	**1 098 087**
Share of profits/(losses)	**71 401**	**3 989**	**21 000**	**(3 280)**	**2 751**	**95 861**
Dividends received	**(57 426)**	**–**	**–**	**–**	**(2 099)**	**(59 525)**

	Gigajoule International Group R 000	Tshala Bese Uyavuna (RF) (Pty) Ltd R 000	Dipalopalo Concession (RF) (Pty) Ltd R 000	Russell Homes Limited R 000	Other R 000	Total R 000
2023						
Investment at cost	39 492	325	–	76 929	18 804	135 550
Equity contributions	83 633	–	–	–	30 060	113 693
Equity investment	123 125	325	–	76 929	48 864	249 243
Post-acquisition gains less dividends received	262 070	–	–	20 835	22 279	305 184
Carrying amount at 30 June	385 195	325	–	97 764	71 142	554 426
Loans to associates and joint ventures	–	97 312	49 026	299 905	1 951	448 194
	385 195	97 637	49 026	397 669	73 093	1 002 620
Share of profits/(losses)	136 297	–	–	467	(5 894)	130 870
Dividends received	(162 610)	–	–	–	(16 591)	(179 201)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTERESTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The summary financial information for material associates and joint ventures (at %100) is disclosed as follows:

	Gigajoule International Group R 000	**Tshala Bese Uyavuna (RF) (Pty) Ltd R 000**	**Dipalopalo Concession (RF) (Pty) Ltd R 000**	**Russell Homes Limited R 000**
2024				
Non-current assets	**2 376 780**	**1 667 998**	**928 012**	**109 800**
Current assets	**2 211 635**	**190 319**	**227 563**	**447 407**
Total assets	**4 588 415**	**1 858 317**	**1 155 575**	**557 207**
Shareholders' equity	**1 319 689**	**13 272**	**64 569**	**92 337**
Non-controlling interest	**1 030 379**	**–**	**–**	**–**
Non-current liabilities	**1 398 742**	**1 830 515**	**1 085 239**	**145**
Current liabilities	**839 605**	**14 530**	**5 767**	**464 725**
Total equity and liabilities	**4 588 415**	**1 858 317**	**1 155 575**	**557 207**
Revenue	**4 777 591**	**381 736**	**312 490**	**395 547**
Profit for the year	**454 996**	**12 654**	**17 325**	**10 347**
Other comprehensive loss	**(10 332)**	**–**	**–**	**–**
Total comprehensive income for the year	**444 664**	**12 654**	**17 325**	**10 347**

	Gigajoule International Group R 000	Tshala Bese Uyavuna (RF) (Pty) Ltd^ R 000	Dipalopalo Concession (RF) (Pty) Ltd R 000	Russell Homes Limited R 000
2023				
Non-current assets	2 574 051	1 468 962	939 225	50 998
Current assets	2 207 881	176 161	201 165	539 296
Total assets	4 781 932	1 645 123	1 140 390	590 294
Shareholders' equity	1 369 813	(517)	49 901	105 612
Non-controlling interest	1 124 980	–	–	–
Non-current liabilities	1 700 838	1 628 456	1 084 723	101 481
Current liabilities	586 301	17 094	5 766	383 201
Total equity and liabilities	4 781 932	1 645 123	1 140 390	590 294
Revenue	4 630 927	12 919 095	298 631	411 144
Profit/(loss) for the year	558 719	(15 891)	43 503	1 473
Other comprehensive income	107 803	–	–	–
Total comprehensive income/(loss) for the year	666 522	(15 891)	43 503	1 473

^ The financial statements of Tshala Bese Uyavuna (RF) (Pty) Ltd were restated in the current period. The figures above have accordingly been restated. The prior year disclosed numbers include total assets of R1 669 584, shareholders' equity (R166 549) and total liabilities of R1 836 133. The restatement did not have an impact on the Group's profit or investment as disclosed in the prior reporting period.

The aggregate summary financial information for individually immaterial associates is as follows:

	2024 R 000	2023 R 000
Net asset value	**63 532**	58 621
Profit for the year	**24 143**	26 521
Total comprehensive income for the year	**24 143**	26 521

The information above is presented at 30 June where the reporting dates of associates and joint ventures are different to the Group. The operations of Gigajoule International and Gigajoule Power are located in Mozambique and have a 31 December year-end. Dipalopalo Concession and Tshala Bese Uyavuna Concession have a 31 March year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 LONG-TERM RECEIVABLES

NOTE

Refer to note 24 for the applicable accounting policy, ECL considerations and credit risk disclosures relating to long-term receivables.

	2024 R 000	2023 R 000
At amortised cost:		
Mezzanine financing arrangements[1]	**133 539**	159 257
Other long-term receivables	**506**	511
Consideration receivable[2]	**33 338**	29 828
	167 383	189 596
Less: Loss allowance (note 24.2)	**(8 443)**	(154)
Less: Current portion (note 9)	**–**	(149 687)
	158 940	39 755

[1] There are two mezzanine financing arrangements in place at 30 June 2024. The loans bear interest at prime plus 2% and will not be repaid within the next 12 months. One mezzanine financing arrangement was settled during the year. Interest was levied at prime plus 1%. The security relating to these loans are disclosed in note 24.2.2.

[2] Consideration receivable in respect of the sale of the Group's 49% interest in Edwin Construction (Pty) Ltd in FY2023. The consideration bears interest at prime less 2.5% compounded annually from 1 January 2023. The loan is repayable on or before 30 June 2029 out of dividends received from the shareholders of Edwin Construction (Pty) Ltd. The amount disclosed represents the present value of the loan.

The fair value of long-term receivables is disclosed in note 24.1

7 INVENTORIES

ACCOUNTING POLICY

The cost of raw materials and consumable stores is determined using the weighted-average method. The cost of developed properties includes the cost of acquisition, conversion costs and all other costs incurred to prepare developed properties for their intended use.

NOTE

	2024 R 000	2023 R 000
Raw materials	**231 979**	232 050
Consumable stores and finished goods	**59 651**	53 903
Properties for development[1]	**–**	6 404
Developed properties[2]	**138 105**	138 105
	429 735	430 462

[1] Properties for development comprise of undeveloped residential stands at St Francis Golf Links.

[2] Developed properties comprises of The Rise, a student accommodation building in Tshwane. This development is financed by a bank loan (note 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUI

FOR THE YEAR ENDED 30 JUNE 2024

8 CONTRACTS IN PROGRESS

ACCOUNTING POLICY

When work measured under a contract exceeds the certified amount, a contract asset is recognised. Uncertified work, variation orders and the Group's assessment of the outcome of contractual claims are recognised as contract assets. Contract assets are recognised as a trade receivable once the measure of progress has been certified. The costs of materials on site are included in contract assets as the ownership passes to the customer once these materials are delivered to a site. Refer to note 24.2 for the ECL and credit risk disclosures relating to contract assets.

Where payment is received for excess billings arising from the measure of progress in respect of construction work yet to be performed, the revenue attributed thereto is not recognised but accounted for as a contract liability. Advance payments received from customers are also included in contract liabilities. Contract liabilities are released to revenue as and when the associated performance obligations are satisfied.

NOTE

	2024 R 000	2023 R 000
Contract assets		
Carrying amount at 1 July	**776 031**	281 448
Uncertified amounts from the prior year transferred to contract receivables	**(771 960)**	(253 687)
Uncertified amounts recognised from materials on site raised in the current year	**269 496**	234 093
Uncertified amounts recognised from the measure of progress raised in the current year	**868 934**	517 017
Less: Loss allowance (note 24.2)	**(3 784)**	(2 840)
Carrying amount at 30 June	**1 138 717**	776 031
Contract liabilities		
Carrying amount at 1 July	**2 426 624**	1 908 312
Excess billings from the prior year recognised as construction revenue	**(1 818 828)**	(1 386 242)
Advances from customers in the prior year recognised as construction revenue	**(630 874)**	(696 988)
Acquisitions through business combinations	**–**	35 362
Excess billings over work done arising from the measure of progress in the current year	**2 368 029**	1 916 266
Advances from customers recognised during the year	**939 298**	649 914
Carrying amount at 30 June	**3 284 249**	2 426 624

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 TRADE AND OTHER RECEIVABLES

NOTE

Refer to note 24 for the applicable accounting policy, ECL considerations and credit risk disclosures relating to trade and other receivables.

	2024 R 000	2023 R 000
Financial assets:		
Contract receivables	3 789 660	3 283 866
Contract retentions	887 906	789 181
Trade receivables	277 397	281 295
Receivables due from joint operators	85 013	315 696
Receivable in respect of cash-collaterised guarantees in Australia[1]	–	42 529
Current portion of loans to associates and joint ventures (note 5)	399 222	300 657
Current portion of long-term receivables (note 6)	–	149 687
	5 439 198	5 162 911
Less: Specific loss allowance (note 24.2)[2]	(140 437)	(119 019)
Less: General loss allowance (note 24.2)[3]	(16 725)	(16 960)
	5 282 036	5 026 932
Non financial assets:		
Prepayments	166 548	270 483
Value-added tax	200 200	138 435
	5 648 784	5 435 850

1 All obligations under the parent company guarantee provided to the Commonwealth Bank of Australia (CBA) have been fulfilled which included cash collaterising uncalled guarantees in Australia. The process of recovering uncalled guarantees, against which cash collateral has been provided was completed in the 2024 financial year.

2 A specific loss allowance is recognised on receivables with specific impairment indicators and the amount recognised is dependent on the facts and circumstances related to the specific receivable.

3 A general loss allowance is recognised on the balance of receivables based on the expected credit loss percentage calculated for a group of debtors with similar risk profiles (note 24.2)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 LONG-TERM LIABILITIES

ACCOUNTING POLICY

Refer to note 24 for the applicable accounting policy and liquidity risk disclosures relating to long-term liabilities.

Instalment sale agreements

Assets acquired through instalment sale agreements, where the risks and rewards of ownership are transferred to the Group at the end of the agreement, are capitalised as property, plant and equipment. These assets are initially recognised at cost and depreciated over their useful lives. The capital portion of the instalment sale agreement is included under long-term liabilities and the current portion is included under Trade and other payables. Finance costs are recognised in profit or loss.

NOTE

	2024 R 000	2023 R 000
At amortised cost:		
Secured		
Instalment sale agreements (effective interest rates between 7.75% and 10.5%)	**324 537**	277 388
Bank loans (effective interest rates between 8.25% and 11.75%)	**153 601**	271 443
Other long-term liabilities	**2 091**	2 091
Unsecured		
Cash-settled share scheme liability	**46 418**	11 054
Settlement agreement liabilities	**86 671**	110 394
	613 318	672 370
Less: current portion of liabilities (note 13)	**(355 553)**	(345 213)
	257 765	327 157

Instalment sale agreements

Instalment sale agreements are for periods up to 36 months and are secured by the plant, vehicles and equipment to which they relate (note 2).

Bank loans

1) In 2019, a loan agreement was entered into with Absa Bank Limited (Absa) for an initial amount of R110 million to finance the development of a student accommodation building (note 7). The loan bears interest linked to the prime lending rate in South Africa and interest is repayable monthly. The capital portion of R101 million is repayable on 1 August 2027. Security provided includes:
   a) The registration of a continuing covering mortgage bond over the Group's 50% undivided share in Erf 827, Hatfield amounting to R110 million, and an additional amount to secure interest and costs, charges and disbursements due to Absa should the bank exercise its rights under the mortgage bond;
   b) A cession of security by the Group of the right, title and interest in and to its 50% undivided share in:
      - Leases and rentals in respect of the property;
      - Proceeds in respect of the sale or transfer of the property including, without limitation, any sale proceeds and expropriation proceeds; and
      - Insurance policies and proceeds in respect of the insurance claims relating to the property.

2) A loan agreement was entered into with Standard Bank of South Africa to support the Group's working capital requirements in the previous reporting period. The loan bears interest at the prime lending rate in South Africa and has a 36-month tenor. The Group had pledged USD 14,4 million as security. At 30 June 2024 a portion of funds had been repatriated and paid against the loan. In September 2023, the outstanding capital amount was spread over the remaining term of the loan and the pledge of funds was lifted.

Cash-settled share scheme liability

The Group implemented a cash incentive scheme through which qualifying employees are granted notional shares, the value of which is linked to the value of the Company's share price. The cash incentive will be paid to employees upon vesting of the notional shares and is measured based on the increase in market price of the linked share. The notional shares have a vesting period of three years and vest only to the extent that the share price growth exceeds the allocated share price over the intervening period. The incentive scheme relating to these shares has been disclosed in note 26.

Settlement agreement liabilities

In 2017, the Group entered into a settlement agreement with the Government of South Africa in terms of which annual amounts of R22 million are payable to the Tirisono Trust over a period of 12 years. A discount rate of 8.7% has been applied in determining the present value.

In 2022, the Group concluded a settlement with the City of Cape Town in terms of which R10 million is payable annually over a 3 year period from November 2022. A discount rate of 8.25% has been applied in determining the present value.

The contractual maturity of long-term liabilities is disclosed in note 24.5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

11 DEFERRED TAX

ACCOUNTING POLICY

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences, including those arising from investments in subsidiaries, branches and associates, and interests in joint arrangements only to the extent that it is probable that future taxable income will be generated against which any available tax losses and deductible temporary differences can be utilised. Future taxable profits are generated from future trading activities and the reversal of relevant taxable temporary differences.

A deferred tax liability is recognised for all taxable temporary differences.

Deferred tax is not recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit or loss. Deferred tax liabilities are not recognised on the initial recognition of goodwill.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse or when they are settled, using tax rates enacted or substantively enacted at the reporting date.

The deferred tax asset on the face of the statement of financial position represents a consolidation of the net deferred tax assets within various statutory entities within the Group and the deferred tax liability on the face of the statement of financial position represents a consolidation of the net deferred tax liabilities within various statutory entities within the Group. Where the deferred tax balance changes from a net asset to a net liability or vice versa within a specific statutory entity, it is necessary to transfer the balance from one net carrying amount to the other. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

NOTE

	2024 R 000	2023 R 000
Deferred tax assets		
The deferred tax asset balance is reconciled as follows:		
Carrying amount at 1 July	**478 474**	550 223
Recognised in profit or loss (note 18)	**61 048**	5 523
Change in United Kingdom tax rate	**–**	(9 537)
Tax effect of other comprehensive items	**8 443**	(47 122)
Transfer to deferred tax liability	**(10 662)**	(25 631)
Exchange rate effects	**(10 481)**	5 018
Carrying amount at 30 June	**526 822**	478 474
Comprising of:		
Construction allowances		
Future expenditure allowance	**(425 003)**	(389 042)
Doubtful debt allowance	**(5 652)**	(5 111)
Advances from customers	**688 726**	458 240
Amounts due from customers	**(328 976)**	(201 234)
Stock adjustment	**65 286**	15 460
Unrealised forex gains and losses	**–**	(62 454)
Settlement agreement liabilities	**35 335**	43 989
Adjustments to the loss allowance	**20 939**	2 318
Capital allowances relating to property, plant and equipment and right-of-use assets	**(215 878)**	(175 464)
Provisions and accruals	**658 829**	738 344
Tax losses	**33 216**	53 428
	526 822	478 474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

11 DEFERRED TAX (CONTINUED)

	2024 R 000	2023 R 000
Deferred tax liabilities		
The deferred tax liability balance is reconciled as follows:		
Carrying amount at 1 July	**(33 197)**	(42 522)
Recognised in profit or loss (note 18)	**12 859**	(14 074)
Transfer from deferred tax asset	**10 662**	25 631
Exchange rate effects	**569**	(2 232)
Carrying amount at 30 June	**(9 107)**	(33 197)
Comprising:		
Construction allowances		
Doubtful debt allowance	**(68)**	(935)
Advances from customers	**4 577**	657
Amounts due from customers	**(7 672)**	(29 782)
Unrealised forex gains and losses	**–**	(117)
Adjustments to the loss allowance	**(126)**	84
Capital allowances relating to property, plant and equipment and right-of-use assets	**(9 421)**	(23 634)
Provisions and accruals	**3 521**	3 802
Tax losses	**82**	16 728
	(9 107)	(33 197)

Deferred tax assets have been recognised in respect of tax losses and temporary differences where, having reviewed the Group's financial projections, the directors are of the opinion that it is probable that these assets will be recovered.

Deferred tax assets have not been recognised on tax losses in subsidiaries amounting to R113 million (2023: R140 million). R10 million of the tax losses does not have an expiry period, R103 million has an expiry period of between 2 and 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

12 NON-CONTROLLING INTEREST (NCI)

A non-controlling interest in a subsidiary is initially recognised under the proportionate interest model where the non-controlling interest's proportionate share of the fair value of subsidiary's net assets at the date of acquisition is raised.

		2024 R 000	2023 R 000
Carrying amount of NCI			
Subsidiary:	Principle place of business:		
Byrne Group Limted	United Kingdom	140 253	117 423
WBHO Quantum LC Company Limited	Ghana	8 662	20 519
WBHO Mining & Civil Limited	Tanzania	(11 785)	(3 238)
WBHO SC Limited	Liberia	7 962	1 802
		145 092	136 506

The operations in Ghana and Tanzania have been entered into with citizen-owned businesses. Although the Group holds a minority shareholding in these companies, control is retained through its contribution to the operations and representation of a majority of directors on the boards of these companies.

The table below summarises the information relating to each of the Group's subsidiaries that has a material NCI before any intra-group eliminations.

	Byrne Group Limited	WBHO Quantum LC Company Limited	WBHO Mining & Civil Limited	WBHO SC Limited
2024				
Ownership interest held by NCI	20.0% R 000	70.0% R 000	51.0% R 000	10.0% R 000
Summarised statement of financial position				
Non-current assets	417 052	10 554	–	41 652
Current assets	1 536 242	326 852	29 383	227 925
Total assets	1 953 294	337 406	29 383	269 577
Non-current liabilities	70 234	–	–	–
Current liabilities	1 119 957	307 501	40 590	236 542
Total liabilities	1 190 191	307 501	40 590	236 542
Summarised statement of financial performance and other comprehensive income				
Revenue	4 020 666	561 202	143 602	854 407
Profit/(loss) for the year	132 655	105 823	(16 760)	61 602
Total comprehensive income/(loss)	132 655	105 823	(16 760)	61 602
Profit/(loss) for the year attributable to NCI	26 531	56 237	(8 547)	6 160
Dividends paid to NCI	–	68 094	–	–
Summarised statement of cash flows				
Cash flows from operating activities	217 871	5 826	3 623	(8 653)
Cash flows from investing activities	(3 606)	(290)	–	(22 805)
Cash flows from financing activities	(22 082)	(351)	–	28 062
Net increase/(decrease) in cash and cash equivalents	192 183	5 185	3 623	(3 396)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

12 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

	Byrne Group Limited	WBHO Quantum LC Company Limited	WBHO Mining & Civil Limited	WBHO SC Limited
2023				
Ownership interest held by NCI	20.0%	51%	51%	10.0%
	R 000	R 000	R 000	R 000
Summarised statement of financial position				
Non-current assets	470 187	6 886	–	55 456
Current assets	1 544 956	303 119	6 023	118 858
Total assets	2 015 143	310 005	6 023	174 314
Non-current liabilities	97 189	–	–	7 561
Current liabilities	1 264 306	259 182	12 235	147 478
Total liabilities	1 361 495	259 182	12 235	155 039
Summarised statement of financial performance and other comprehensive income				
Revenue	4 081 712	582 199	28 371	242 269
Profit for the year	118 739	40 234	(6 349)	25 019
Total comprehensive income/(loss)	118 739	40 234	(6 349)	25 019
Profit for the year attributable to NCI	23 748	20 519	(3 238)	1 802
Dividends paid to NCI	–	–	–	–
Summarised statement of cash flows				
Cash flows from operating activities	(255 988)	120 202	1 559	96 771
Cash flows utilised in from investing activities	(236 045)	–	–	(92 601)
Cash flows utilised in financing activities	(32 561)	(809)	–	43 544
Net (decrease)/increase in cash and cash equivalents	(524 594)	119 393	1 559	47 714

The table below details the acquisition of NCI during the reporting period:

	Date acquired	Transaction	Percentage acquired %	Effective interest held after transaction %	Purchase consideration paid R 000
2024					
There were no acquisitions of minority interests in the current year.					
2023					
St Francis Golf Links (Pty) Ltd	06-Apr-23	Acquisition	20.00	100.00	10 000
Net cash outflow					10 000
Aggregate amounts recognised in equity					4 224

A true-up of £9 thousand (R187 thousand) was paid in January 2023 on the final put option exercised in Russells Limited in January 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

13 TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Refer to note 24 for the applicable accounting policy and liquidity risk disclosures relating to trade and other payables.

NOTE

	2024 R 000	2023 R 000
Trade payables	**741 142**	870 780
Subcontractor creditors	**1 023 755**	821 160
Subcontractor retentions	**544 376**	542 265
Contract accruals	**1 389 835**	1 703 443
Payroll accruals	**480 283**	396 771
Dividend payable	**1 409**	1 308
Amounts owing to joint operators	**10 356**	204 172
Current portion of lease liabilities (note 3)	**34 504**	36 450
Current portion of long-term liabilities (note 10)	**355 553**	345 213
	4 581 213	4 921 562
Value-added tax payable	**123 980**	121 879
	4 705 193	5 043 441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

14 PROVISIONS

ACCOUNTING POLICY

A provision is recognised when there is a present legal or constructive obligation that arises as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are recognised based on past experience and information available at the time of recognition.

Estimates are made of the expected cash outflow taking into account that the exact amount and timing of the outflow is uncertain.

NOTE

	Contracting provision R 000	Short-term incentive provision R 000	Provision for insurance premiums R 000	Total R 000
At 1 July 2022	2 049 163	366 467	32 862	2 448 492
Recognised	2 208 879	395 774	74 065	2 678 718
Acquisition through business combination	4 692	–	–	4 692
Utilised	(1 865 891)	(326 510)	(54 685)	(2 247 086)
Unutilised amounts reversed	(300 175)	(27)	(651)	(300 853)
Exchange rate effects	58 749	7 554	267	66 570
Carrying amount at 30 June 2023	**2 155 417**	**443 258**	**51 858**	**2 650 533**
Recognised	**1 386 767**	**558 213**	**43 712**	**1 988 692**
Utilised	**(1 259 646)**	**(469 995)**	**(67 885)**	**(1 797 526)**
Unutilised amounts reversed	**(601 959)**	**–**	**–**	**(601 959)**
Exchange rate effects	**(20 968)**	**(4 482)**	**(236)**	**(25 686)**
Carrying amount at 30 June 2024	**1 659 611**	**526 994**	**27 449**	**2 214 054**

Contracting provision

Contracting provisions represent estimated amounts arising from contractual obligations to third parties at the reporting date. Estimates are made of the likelihood of the future expenses and claims required to honour the obligation. Costs are estimated using amounts included in the original tender, escalated using an appropriate escalation methodology or with updated pricing from the supply chain.

Short-term incentive provision

The short-term incentive provision arises from a constructive obligation to employees on formal retention schemes within which retention payments have been agreed, as well as expectations from employees, based on past behaviour, to receive an annual incentive payment aligned with the performance of the Group. The actual incentive is not guaranteed and must be approved by the Board of Directors. The incentives are finalised and settled within a period of twelve months.

Provision for insurance premiums

The balance represents provisions for potential insurance premiums payable dependent on past claims history. The provisions are utilised within 12 months, once the claims for the current year are finalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 REVENUE

ACCOUNTING POLICY

The Group recognises revenue from the following major sources:

- Construction contracts for the construction of buildings, roads and other infrastructure;
- Supply of construction materials including asphalt, bitumen and long-steel products; and
- Sale of properties.

Revenue comprises the consideration received or receivable on contracts entered into with customers in the ordinary course of the Group's activities. The amount of revenue recognised is the value of the transaction price, allocated to each completed or partially completed performance obligation, to which the entity is entitled, in exchange for the transfer of goods and services promised within the contract.

The Group has not entered into any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceeds one year. Therefore, no significant element of financing is present and no adjustment for the time value of money is made to the Group's transaction prices.

The construction operating cycle relating to contract assets and constract liabilities is considered to be greater than 12 months. These assets and liabilities are continually recycled through working capital (distinguishing them from the assets and liabilities utilised in the long-term operations of the Group) hence they are classified as current assets and liabilities (notes 8 and 9).

Construction contracts

The Group provides construction services embodying single performance obligations under long-term contracts with customers. Revenue is recognised over a period of time where the customer controls the work-in-progress as the asset is constructed, or where the asset being constructed has no alternative use and the Group has an enforceable right to payment for work done to date.

When determining the transaction price of a contract, management is required to make estimates of the value of variations and claims as well as the probability that they will not be reversed. Estimates in respect of variations and contractual claims are determined by applying the contractual rates agreed between the parties to the time taken, activities performed and materials supplied in performing the obligations that relate to such variation orders and contractual claims. Management assesses the probability that any revenue associated with variations and contractual claims will not be reversed in accordance with the Group's rights under the contract, correspondence between the parties and the progress of any negotiations or dispute resolution processes implemented between the parties.

Contract modifications and contractual claims, representing variable revenue, are common within the construction industry. The transaction price is adjusted for approved variations and claims in full. The transaction price for variations and claims is adjusted only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur at the time when the uncertainty associated to the variability is resolved.

Construction contracts regularly contain penalty provisions for late completion. The transaction price is adjusted for penalties on a contract-by-contract basis, only when it is highly probable that penalties will be implemented.

The output method, incorporating surveys of work performed, is applied to measure performance based on the value of goods and services delivered relative to those undelivered. This method best represents the fair value of the construction works performed and the transfer of control of the goods and services to the customer.

Revenue is recognised in accordance with the measure of performance and is not necessarily aligned with the payment terms of the contract. Payment terms vary between 30 and 60 days from the date on which the measure of work performed is agreed and certified, but can extend to 90 days under certain contracts. In limited circumstances, the Group may agree to milestone payments under a contract, whereby payment only becomes due on completion of a specified portion of the works to be delivered. In these instances, the duration between milestones is not expected to be greater than 60 days. Project durations are generally between 12 and 18 months but can extend to between 24 and 36 months on larger projects. Contracts requiring substantial mobilisation or with a significant material component then have advance payments agreed upon. Amounts can be withheld from payment by customers as a contract retention until the defects liability period for the contract has expired. These amounts are recognised as a financial asset under trade and other receivables (note 9).

Sale of construction materials

The Group recognises revenue at a point in time when the customer takes possession of the goods, usually on delivery or collection thereof. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days.

Sale of properties

Revenue from property sales is recognised at a point in time once legal ownership of the property has transferred to the customer. Payment is due immediately at that point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 REVENUE (CONTINUED)

NOTE

	2024 R 000	2023 R 000
Recognised over time		
Construction revenue	**26 007 123**	22 454 298
Recognised at a point in time		
Sale of construction materials	**1 505 097**	1 289 901
Sale of properties	**13 357**	24 548
	27 525 577	23 768 747

Disaggregation of revenue

Reportable segments reflect the operating structure of the Group and are identified both geographically and by the key markets which they serve. When disaggregating revenue, cognizance is given to the transfer of differing goods and services. As a result, for the purpose of disaggregation of revenue, the sale of asphalt and bitumen within the Roads and earthworks operating segment is included with the supply of construction materials.

Information in respect of the geographies and sectors from which revenue is recognised is as follows:

	South Africa R 000	Rest of Africa R 000	United Kingdom R 000	Total R 000
2024				
Construction revenue				
Building and civil engineering	**11 819 861**	**248 135**	**5 379 389**	**17 447 385**
Roads, earthworks and infrastructure	**5 589 589**	**2 862 519**	**–**	**8 452 108**
Sale of construction materials	**1 503 077**	**109 650**	**–**	**1 612 727**
Sale of properties	**13 357**	**–**	**–**	**13 357**
	18 925 884	**3 220 304**	**5 379 389**	**27 525 577**
2023				
Construction revenue				
Building and civil engineering	10 734 930	245 946	4 987 904	15 968 780
Roads, earthworks and infrastructure	3 728 706	2 756 813	–	6 485 519
Sale of construction materials	1 212 307	77 593	–	1 289 900
Sale of properties	24 548	–	–	24 548
	15 700 491	3 080 352	4 987 904	23 768 747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 REVENUE (CONTINUED)

Remaining transaction price allocated to unsatisfied performance obligations

The following table presents construction revenue expected to be recognised in future reporting periods which relate to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	2025 R 000	2026 R 000	2027 R 000	Total R 000
2024				
South Africa:				
Building and civil engineering	**8 954 897**	**2 131 552**	**–**	**11 086 449**
Roads and earthworks	**5 447 932**	**3 582 548**	**3 342 445**	**12 372 925**
Rest of Africa:				
Building and civil engineering	**439 771**	**89 793**	**–**	**529 564**
Roads and earthworks	**1 905 924**	**277 639**	**–**	**2 183 563**
United Kingdom:				
Building and civil engineering	**3 926 683**	**499 918**	**–**	**4 426 601**
	20 675 207	**6 581 450**	**3 342 445**	**30 599 102**

	2024 R 000	2025 R 000	2026 R 000	Total R 000
2023				
South Africa:				
Building and civil engineering	9 706 776	2 674 641	191 353	12 572 770
Roads and earthworks	4 473 710	5 840 661	1 914 011	12 228 382
Rest of Africa:				
Building and civil engineering	132 463	150 223	91 805	374 491
Roads and earthworks	1 666 573	801 778	91 805	2 560 156
United Kingdom:				
Building and civil engineering	4 184 140	630 380	–	4 814 520
	20 163 662	10 097 683	2 288 974	32 550 319

The table above was represented to disaggregate Africa into South Africa and Rest of Africa, for consistency throughout the note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

		2024 R 000	2023 R 000
16	**OPERATING PROFIT**		
	Operating profit includes the following:		
	Materials and consumables	**5 293 116**	4 274 381
	Subcontractors	**10 323 370**	9 437 279
	Plant hire	**2 367 197**	1 963 727
	Consultants	**1 562 539**	1 227 041
	Site establishment costs	**1 113 299**	1 193 474
	Fuel	**591 089**	477 743
	Repairs and maintainence	**14 381**	20 033
	Depreciation - property, plant and equipment (note 2)	**296 438**	202 546
	Depreciation - right-of-use asset (note 3)	**37 701**	45 620
	Expenses relating to short-term leases	**41 606**	30 096
	Expenses relating to low-value assets	**17 852**	12 829
	Profit on disposal of property, plant and equipment	**(22 645)**	(9 115)
	Profit on lease derecognition	**(1 258)**	(2 458)
	Movement in loss allowance	**33 721**	22 750
	Share-based payments expense	**82 242**	54 562
	Akani 2 distribution costs (note 26.4)	**12 909**	–
	Impairment of goodwill (note 4)	**85 987**	–
	Auditors' remuneration	**26 335**	24 705
	Audit fees	**25 935**	23 490
	Other services	**400**	1 215
	Net foreign exchange (gains)/losses	**55 501**	9 055
	Realised	**41 904**	144 895
	Unrealised	**13 597**	(135 840)
	Short-term employee benefits	**4 374 505**	3 757 555
	Salaries and wages	**3 925 652**	3 417 377
	Defined benefit contribution expenses	**250 527**	191 337
	Medical aid	**19 297**	6 006
	SETA training levy	**26 870**	19 073
	Workmens' compensation levy	**27 587**	17 400
	Social security contributions	**93 708**	78 943
	Other contributions	**30 864**	27 419
	Total operating costs and administrative expenses	**26 305 885**	22 741 823
	Other income		
	Rental income	**9 921**	13 977
	Rebates and insurance claims	**17 148**	17 093
		27 069	31 070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

		2024 R 000	2023 R 000
17	**FINANCE INCOME AND FINANCE COSTS**		
	Finance income		
	Cash and cash equivalents	**175 216**	127 843
	Associates and joint ventures	**47 738**	30 528
	Mezzanine financing arrangements	**21 407**	23 012
	Interest from tax authorities and customers	**22 026**	7 483
		266 387	188 866
	Finance costs		
	Bank loans	**20 856**	29 616
	Lease liabilities	**7 353**	6 732
	Instalment sale agreements	**32 032**	15 915
	Settlement agreement liabilities	**7 527**	9 335
	Interest paid to tax authorities and related parties	**235**	2 045
		68 003	63 643

18 TAX

ACCOUNTING POLICY

Income tax for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable on the taxable income for the year using substantively enacted tax rates and includes any adjustments to tax payable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. Current tax also includes any tax arising from foreign dividends. Current tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities and the Group has the intention to settle a net amount, or to recognise the asset and liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts for financial reporting purposes and the tax base used for tax purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

18 TAX (CONTINUED)

NOTE

	Africa R 000	United Kingdom R 000	Total R 000
2024			
Normal tax			
Current tax			
Current year	176 947	–	176 947
Prior year over provision	54 602	–	54 602
Deferred tax			
Current year (note 11)	14 147	–	14 147
Prior year under provision	(41 344)	–	(41 344)
	204 352	–	204 352
Foreign taxation (including withholding tax)			
Current tax			
Current year	216 705	62 594	279 299
Prior year under/(over) provision	16 405	(499)	15 906
Deferred tax			
Current year (note 11)	(42 654)	(4 016)	(46 670)
Prior year over provision	(40)	–	(40)
	190 416	58 079	248 494
Dividend tax	34 866	–	34 866
Total tax charge	429 634	58 079	487 713
Profit before tax	1 393 684	147 321	1 541 005
Reconciliation of tax rate :			
2024			
Normal tax rate	27.0%	25.0%	27.0%
Adjusted for:			
Capital and non-taxable items			
Non taxable capital	(0.7%)	(1.7%)	(0.8%)
Reversal of impairments	(0.6%)	–	(0.5%)
Non taxable vesting of shares	(1.2%)	–	(1.1%)
Unrealised gains on translation of loans	(0.3%)	–	(0.3%)
Non taxable share of profits from associates and joint ventures	(1.9%)	–	(1.7%)
Non-deductible expenses			
Capital expenditure	1.1%	–	0.9%
Impairment of goodwill	–	15.2%	1.4%
Share-based payment expense	0.9%	–	0.8%
Unrealised losses on translation of loans	0.8%	–	0.7%
Translation of net investment in foreign operations	1.1%	–	0.8%
Tax losses utilised	(0.7%)	–	(0.7%)
Prior year (over)/under provision	2.1%	(0.3%)	1.9%
Foreign withholding taxes	2.5%	–	2.3%
Deferred tax assets not recognised in respect of losses	0.7%	1.2%	0.9%
Effective tax rate	30.8%	39.4%	31.6%

	R 000
Estimated tax losses available for utilisation against future taxable income	114 281
Potential tax relief at current tax rates.	33 298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

18 TAX (CONTINUED)

	Africa R 000	United Kingdom R 000	Total R 000
2023			
Normal tax			
Current tax			
Current year	133 189	–	133 189
Prior year under provision	5 721	–	5 721
Deferred tax			
Current year (note 11)	91 713	–	91 713
Prior year under provision (note 11)	9 209	–	9 209
	239 832	–	239 832
Foreign taxation (including withholding tax)			
Current tax			
Current year	145 252	26 525	171 777
Prior year under / (over) provision	16 646	(1 783)	14 863
Deferred tax			
Current year (note 11)	(79 343)	12 535	(66 808)
Change in tax rate (note 11)	–	(9 537)	(9 537)
Prior year (over)/under provision (note 11)	(5 562)	(927)	(6 489)
	76 993	26 813	103 806
Dividend tax	16 780	–	16 780
Total tax charge	333 605	26 813	360 418
Profit before tax	1 144 878	149 447	1 294 325
Reconciliation of tax rate			
Normal tax rate	27.0%	25.0%	27.0%
Adjusted for:			
Capital and non-taxable items			
Capital gains tax	(0.2%)	(2.0%)	(0.4%)
Non-taxable vesting of shares	(0.1%)	–	(0.1%)
Non-taxable share of profits from associates and joint ventures	(3.1%)	(0.1%)	(2.7%)
Non-deductable expenses			
Capital expenditure	0.3%	1.3%	0.4%
Loss on sale of associate	1.2%	–	1.1%
Share-based payment expense	1.0%	–	0.9%
Branch losses	0.3%	–	0.2%
Translation of net investment in foreign operations	(0.2%)	0.2%	(0.2%)
Tax losses utilised	(1.2%)	–	(1.1%)
Prior year (over)/under provision	2.3%	(1.8%)	1.8%
Foreign withholding taxes	1.4%	–	1.4%
Change in tax rate	–	(5.8%)	(0.7%)
Deferred tax assets not recognised in respect of losses	0.2%	1.1%	0.3%
Effective tax rate	28.9%	17.9%	27.9%

	R 000
Estimated tax losses available for utilisation against future taxable income	259 379
Potential tax relief at current tax rates	70 156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

		2024 R 000	2023 R 000
19	**DIVIDEND PAID**		
	Interim dividend in respect of the period ended 31 December 2023: 230 cents	**125 883**	–
		125 883	–

There was no dividend declared in the previous reporting period.

		2024 R 000	2023 R 000
20	**EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE**		
	Earnings from continuing operations attributable to equity shareholders	**972 911**	890 374
	Weighted average number of shares ('000)		
	Shares in issue at 1 July	**53 044**	53 181
	Treasury shares acquired	**(1 141)**	(161)
	Performance shares vested	**593**	23
	Weighted average ordinary shares in issue at 30 June	**52 496**	53 043
	Dilutive effect of allocated Akani shares	**52**	–
	Diluted weighted average number of shares	**52 548**	53 043
	Earnings/(loss) per share (cents)		
	Basic		
	Continuing operations	**1 853.3**	1 678.6
	Discontinued operations	**(9.0)**	(188.9)
	Total operations	**1 844.3**	1 489.7
	Diluted		
	Continuing operations	**1 851.5**	1 678.6
	Discontinued operations	**(9.0)**	(188.9)
	Total operations	**1 842.5**	1 489.7
	Headline earnings/(loss) per share (cents)		
	Basic		
	Continuing operations	**2 020.7**	1 703.4
	Discontinued operations	**(9.0)**	(188.9)
	Total operations	**2 011.7**	1 514.5
	Diluted		
	Continuing operations	**2 018.7**	1 703.4
	Discontinued operations	**(9.0)**	(188.9)
	Total operations	**2 009.7**	1 514.5

	2024		2023	
	Gross R 000	**Net R 000**	Gross R 000	Net R 000
Headline earnings/(loss)				
Attributable earnings from continuing operations		**972 911**		890 374
Adjusted for:				
Translation of foreign entities recycled through profit or loss	**18 193**	**18 193**	–	–
Impairment of goodwill	**85 987**	**85 987**	–	–
Loss on disposal of associate	**–**	**–**	19 762	19 762
Impairment of investment in subsidiaries	**–**	**–**	81	81
Profit on disposal of property, plant and equipment				
- Subsidiaries	**(23 902)**	**(16 282)**	(9 115)	(6 432)
- Interests in associates and joint ventures	**–**	**–**	(319)	(230)
		1 060 809		903 555
Attributable loss from discontinued operations		**(4 749)**		(100 191)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

20 EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE (CONTINUED)

	2024		2023	
	Gross R 000	Net R 000	Gross R 000	Net R 000
Attributable earnings from total operations		968 162		790 183
Adjusted for:				
Translation of foreign entities recycled through profit or loss	18 193	18 193	–	–
Impairment of goodwill	85 987	85 987	–	–
Loss on disposal of associate	–	–	19 762	19 762
Impairment of investment in subsidiaries	–	–	81	81
Profit on disposal of property, plant and equipment				
- Subsidiaries	(23 902)	(16 282)	(9 115)	(6 432)
- Interests in associates and joint ventures	–	–	(319)	(230)
		1 056 060		803 365

	2024 R 000	2023 R 000
21 GUARANTEES AND CONTINGENT LIABILITIES		
Guarantees issued for the due performance of contracts on behalf of:		
Company and subsidiaries	5 061 191	4 581 548
Associates and joint arrangements	2 172 131	2 147 674
Third parties	123 197	138 507
	7 356 519	6 867 729

It is the opinion of the directors that the possibility of any loss is improbable and it is not anticipated that any material liabilities will arise.

Contingent liabilities

There are no contingent liabilities to which the Group is exposed at the reporting date.

IFRS 17 consideration

The Group has assessed the parent company guarantees issued by Wilson Bayly Holmes-Ovcon Limited and WBHO Construction (Pty) Ltd and the impact is not considered to be material.

22 DISCONTINUED OPERATIONS

The Group's Australian operations entered administration in the 2022 reporting period. The parent company subsequently agreed a Deed of Company Arrangement (DOCA) with the creditors in December 2022. The Group has satisfied all obligations in terms of parent company guarantees previously issued. During the year, the Group recovered R84 million in guarantees that had previously been called and incurred R51 million in expected costs, which had been provided for in FY2023. An additional cost of R4 million was raised in the current reporting period to account for further legal costs.

	2024 R 000	2023 R 000
22.1 RESULTS OF DISCONTINUED OPERATIONS		
Operating costs	–	(64 876)
Administrative costs	(4 749)	(35 315)
Loss from discontinued operations	(4 749)	(100 191)
Other comprehensive loss	–	–
Total comprehensive loss for the period	(4 749)	(100 191)
22.2 CASH FLOWS FROM DISCONTINUED OPERATIONS		
Cash flow from investing activities	36 790	(782 114)
	36 790	(782 114)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

23 RELATED PARTIES

23.1 IDENTIFICATION OF RELATED PARTIES

The Group has identified its related parties as subsidiaries (annexure 1), interests in associates and joint ventures (note 5), joint operations (annexure 2) and directors and prescribed officers.

23.2 RELATED PARTY TRANSACTIONS AND BALANCES

During the reporting period, group companies entered into various inter-group sales and purchase transactions in the ordinary course of business. These transactions are on terms no more favourable than those with third parties. Transactions and balances between group companies have been eliminated on consolidation and are not disclosed.

Details of transactions and balances with related parties are as follows:

	2024 R 000	2023 R 000
Amounts owed by related parties		
Amounts owed by associates and joint ventures (note 5)	628 234	561 887
Amounts owed by joint operators (note 9)	85 013	315 696
Amounts owed to related parties		
Amounts owed to joint operators	10 356	204 172
The amounts owing tojoint operators are unsecured, interest-free and have no fixed terms of repayment.		
Transactions with related parties		
Revenue from contracts with associates and joint ventures	6 694	741 022
Dividends received from associates and joint ventures (note 5)	59 525	179 201
Finance income received from associates and joint ventures (note 17)	47 738	11 547

23.3 DIRECTORS' EMOLUMENTS

Short-term benefits paid to directors and prescribed officers include travel, site and sundry allowances and medical aid contributions. Short-term incentives are annual bonuses approved by the Group's remuneration committee. Post-employment benefits comprise of provident fund contributions. Prescribed officers are key management personnel.

	Directors' fees R 000	Salaries R 000	Short-term benefits R 000	Short-term Incentives R 000	Post-employment benefits R 000	Total emoluments R 000
2024						
Executive						
EL Nel	–	1 682	506	9 310	593	12 091
WP Neff	–	3 134	524	15 222	837	19 717
CV Henwood*	–	1 200	235	–	325	1 760
AC Logan^	–	1 553	139	12 076	414	14 182
	–	7 569	1 404	36 608	2 169	47 750
Non-executive						
AJ Bester	1 064	–	–	–	–	1 064
RW Gardiner	1 338	–	–	–	–	1 338
KM Forbay	750	–	–	–	–	750
H Ntene	769	–	–	–	–	769
NN Sonqushu	534	–	–	–	–	534
	4 455	–	–	–	–	4 455
Total	4 455	7 569	1 404	36 608	2 169	52 205

** Retired 23 November 2023*

^ Appointed 23 November 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

23 RELATED PARTIES (CONTINUED)

23.3 DIRECTORS' EMOLUMENTS (CONTINUED)

	Directors' fees R 000	Salaries R 000	Short-term benefits R 000	Short-term Incentives R 000	Post-employment benefits R 000	Total emoluments R 000
2023						
Executive						
EL Nel	–	1 492	503	9 860	593	12 448
WP Neff	–	2 710	493	15 120	725	19 048
CV Henwood	–	2 628	565	15 006	714	18 913
	–	6 830	1 561	39 986	2 032	50 409
Non-executive						
SN Maziya~	402	–	–	–	–	402
AJ Bester	880	–	–	–	–	880
RW Gardiner	1 268	–	–	–	–	1 268
KM Forbay	645	–	–	–	–	645
H Ntene	657	–	–	–	–	657
NN Sonqushu"	296	–	–	–	–	296
	4 148	–	–	–	–	4 148
Total	4 148	6 830	1 561	39 986	2 032	54 557

~ Retired 23 November 2022

" Appointed 5 December 2022

23.4 DIRECTORS' SHAREHOLDING

The interests of directors and those of their families in the share capital of the Company are as follows:

Number of ordinary shares ('000)	**2024** Direct	**2024** Indirect	**2024** Total	2023 Direct	2023 Indirect	2023 Total
EL Nel	**200**	**1**	**201**	300	1	301
WP Neff	**91**	**1**	**92**	91	14	105
CV Henwood	**–**	**–**	**–**	110	–	110
AC Logan	**21**	**–**	**21**	–	–	–
	312	**2**	**314**	501	15	516

Long-term incentive scheme	Share-based payment expense **2024** R 000	Share-based payment expense 2023 R 000	Performance shares **2024** ('000)	Performance shares 2023 ('000)
EL Nel	**201**	451	**–**	23
WP Neff	**4 143**	2 987	**166**	149
CV Henwood	**–**	2 890	**–**	145
AC Logan	**1 766**	–	**70**	–
	6 110	6 328	**236**	317

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

23 RELATED PARTIES (CONTINUED)

23.5 PRESCRIBED OFFICERS

	Salaries R 000	Short-term benefits R 000	Short-term incentives R 000	Post-employment benefits R 000	Total emoluments R 000
2024					
PJ Foley"	**9 521**	**3 227**	**8 000**	**467**	**21 215**
SN Gumede	**2 316**	**499**	**5 000**	**621**	**8 436**
AF De Necker	**2 636**	**551**	**10 000**	**705**	**13 892**
CA Jessop	**2 806**	**580**	**10 000**	**477**	**13 863**
	17 279	**4 857**	**33 000**	**2 270**	**57 406**
2023					
PJ Foley"	7 965	2 200	7 000	650	17 815
SN Gumede	2 142	495	5 000	528	8 165
AF De Necker	2 396	433	10 000	642	13 471
CA Jessop	2 554	512	10 000	435	13 501
	15 057	3 640	32 000	2 255	52 952

" *paid in Pound Sterling*

23.6 PRESCRIBED OFFICERS' SHAREHOLDING

The interests of prescribed officers and those of their families in the share capital of the Company are as follows:

	2024			2023		
Number of ordinary shares ('000)	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
PJ Foley	**50**	**–**	**50**	50	–	50
SN Gumede	**–**	**18**	**18**	–	–	–
AF De Necker	**82**	**–**	**82**	55	–	55
CA Jessop	**60**	**38**	**98**	47	25	72
	192	**56**	**248**	152	25	177

	Share-based payment expense		**Performance shares**	
Long-term incentive scheme	**2024 R 000**	2023 R 000	**2024 ('000)**	2023 ('000)
PJ Foley	**3 295**	2 533	**133**	125
SN Gumede	**2 029**	1 472	**83**	75
AF De Necker	**3 664**	2 660	**147**	132
CA Jessop	**3 664**	2 660	**147**	132
	12 652	9 325	**510**	464

The long-term incentives are part of the WBHO Share Plan, details of which are disclosed in note 26.

There were no other transactions with directors or prescribed officers or entities in which directors or prescribed officers have a material interest. There have been no changes to directors' shareholdings between the reporting date and the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

ACCOUNTING POLICY

Accounting for financial instruments

Financial instruments of the Group comprise of loans to associates and joint ventures, long-term receivables, trade and other receivables, cash and cash equivalents, long-term liabilities and trade and other payables.

Recognition

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Financial assets are recognised on the date the Group acquires the instruments.

Classification

The Group classifies financial assets on initial recognition on the basis of the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

Financial assets are classified at amortised cost if the asset is held within a business model with the objective to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that comprise solely of payments of principal and interest on the principal outstanding.

The Group's financial assets are classified at initial recognition at amortised cost (note 24.1).

Financial liabilities of the Group are classified as measured at amortised cost (note 24.1).

Initial measurement

Trade and other receivables are not subject to significant financing components and are therefore initially measured at the relevant transaction prices. All other financial assets and financial liabilities are initially measured at fair value, including transaction costs.

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities of the Group are measured at amortised cost using the effective interest method.

Impairment of financial assets

Under IFRS 9, the Group calculates Expected Credit Losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. ECLs are measured at the present value of cash shortfalls arising from a credit default event, discounted at the effective interest rate of the financial asset.

The Group has the following assets subject to the ECL model:

- Trade and other receivables (note 9)
- Contract assets (note 8)
- Loans to associates and joint ventures (note 5)
- Long-term receivables (note 6)
- Cash and cash equivalents (note 28.6)

The Group considers a default to have occurred when a financial asset is more than 90 days past due. The Group's credit terms with customers are specific to each contract. 74% of all customers have payment terms of 30 days or less. 60 days past due is considered to be an appropriate indicator of default when assessed against the Group's customer base, the trading terms for which are predominantly 30 days. This is also informed by the Group's extensive experience with its customer base.

For loans to associates and joint ventures and long-term receivables, the Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period and rebuts the presumption in IFRS 9 that there is a significant increase in credit risk when an amount is more than 30 days overdue. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The following indicators are incorporated:

- conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the performance and behaviour of the borrower, including changes in the operating results of the borrower; and
- significant changes in the value of the collateral supporting the obligation.

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

- Significant financial difficulty of the customer;
- Liquidation, business rescue proceedings or other forms of financial reorganisation are implemented; or
- Any other event where the likelihood of full settlement is remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Indicators that there is no reasonable expectation of recovery include, amongst others, insolvency proceedings and failure of a debtor to engage in a repayment plan with the Group. Amounts written of reduces the loss allowance for the year. The Group expects no significant recovery from amounts written off.

Trade and other receivables and contract assets

The Group applies the simplified approach when measuring expected credit losses, and determines a lifetime expected loss allowance for all trade and other receivables and contract assets. Trade and other receivables (note 9) primarily consist of contract receivables, contract retentions and trade receivables.

When calculating ECLs, the Group groups trade and other receivables and contract assets by geography i.e. South Africa, Rest of Africa and United Kingdom. 'Rest of Africa' is made up of Namibia, Mozambique, Ghana, Zambia, Madagascar, Liberia, Tanzania, Lesotho and Botswana. These countries have been aggregated together as their gross carrying amounts of receivables are individually immaterial.

Contract retentions and contract assets have the same risk characteristics as the contract receivable to which they relates and the Group has concluded that the expected loss rates for contract receivables are a reasonable approximation of the loss rates for the contract retentions and contract assets.

For trade and other receivables, ECLs are not determined using a provision matrix and instead, are determined using a simplified parameter-based approach. Refer to note 24.2.1 for more detail about ECLs and how these are calculated as well as for disclosure around how the Group manages its exposure to credit risk.

The Group does not recognise a loss allowance on receivables due from joint operators (note 9) in excess of its proportionate share, where the amount is expected to be settled from the future cash flows of the underlying project for which the joint operation was created. In the event that an underlying project has incurred losses funded by the Group in excess of its proportionate share, the Group recognises a loss allowance to the extent that the loss is unlikely to be reversed. No loss allowance was recognised in the current reporting period as the carrying amount of receivables due from joint operators was immaterial.

Long-term receivables and loans to associates and joint ventures

The Group applies the three-stage general model in measuring expected credit losses for long-term receivables and loans to associates and joint ventures. An ECL is calculated using a formula incorporating the following parameters: Exposure at Default (EAD), Probability of Default (PD), Loss Given Default (LGD) discounted using the effective interest rate (EIR) (i.e. PD x LGD x EAD = ECL).

Long-term receivables (note 6) primarily relate to mezzanine financing arrangements. The consideration receivable balance (note 6) arises from vendor financing and is also subject to the impairment requirements of IFRS 9.

To calculate ECLs on long-term receivables and loans to associates and joint ventures, the Group aggregates the receivables by the sector in which these entities operate. Refer to note 24.2.2 for more detail on ECLs and how these are calculated as well as disclosure around how the Group manages its exposure to credit risk.

Cash and cash equivalents

Cash and cash equivalents primarily comprise of cash held in current and call accounts with financial institutions. Cash and cash equivalents generally have a low credit risk owing to the credit risk of the financial institutions. Refer to note 24.2.3 for more information on ECL and credit risk considerations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

NOTE

24.1 OVERVIEW

The risk management programme of the Group takes cognisance of on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

The Group has exposure to the following risks arising from its use of financial instruments:

- credit risk
- market risk
- liquidity risk

Information is presented on the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Group's activities. Through training, standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk committee meets on a regular basis to review the management and implementation of risk strategies. The internal audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The treasury function monitors and manages liquidity risk on a day-to-day basis.

The Group's strategy with regards to the management of the risk remains the same as in prior reporting periods and there have been no significant changes to the risk profile of the Group.

Financial instruments by category

R 000	Note	Carrying amount	Financial liabilities at amortised cost	Financial assets at amortised cost
2024				
Lease liabilities	3	**(128 214)**	**(128 214)**	**–**
Loans to associates and joint ventures	5	**148 304**	**–**	**148 304**
Long-term receivables	6	**158 940**	**–**	**158 940**
Trade and other receivables	9	**5 282 036**	**–**	**5 282 036**
Long-term liabilities	10	**(257 765)**	**(257 765)**	**–**
Trade and other payables	13	**(4 581 213)**	**(4 581 213)**	**–**
Cash and cash equivalents	28.6	**3 660 049**	**–**	**3 660 049**
		4 282 137	**(4 967 192)**	**9 249 329**
2023				
Lease liabilities	3	(131 617)	(131 617)	–
Loans to associates and joint ventures	5	146 338	–	146 338
Long-term receivables	6	39 755	–	39 755
Trade and other receivables	9	5 026 932	–	5 026 932
Long-term liabilities	10	(327 157)	(327 157)	–
Trade and other payables	13	(4 921 562)	(4 921 562)	–
Cash and cash equivalents	28.6	3 684 687	–	3 684 687
		3 517 376	(5 380 336)	8 897 712

The carrying amount of loans to associates and joint ventures recognised at amortised cost, as well as long-term receivables, approximate the fair value thereof as these loans attract market-related interest rates.

The current portion of loans to associates is disclosed in trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's exposure to trade and other receivables, contract assets, loans to associates and joint ventures, long-term receivables and cash and cash equivalents. The Group's maximum exposure to credit risk is represented by the carrying amount of the financial assets and contract assets that are exposed to credit risk.

24.2.1 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

The Group's exposure to credit risk is influenced by the individual characteristics of each customer and the inherent risk within the country in which customers operate and whether the customer is in the public or private sector.

The Group either negotiates for, or tenders upon, the construction contracts to which it becomes a contractual party. As a result, the Group is able to evaluate the credit worthiness of prospective clients prior to the commencement of any project. Additionally, for all contracts other than those concluded with entities from within the public sector, the Group insists on receipt of a payment guarantee equal to a proportion of the contract price. Any relaxation of this policy must be approved by the Credit committee. Where no guarantee has been obtained, the Group generally has a lien over the work in progress.

Where the Group sells goods or materials to customers on credit terms, the Group performs a credit assessment to determine an appropriate credit limit. The Group employs the services of credit ratings agencies and consultants when performing financial reviews and evaluating prospective customers' credit worthiness. Credit limits are ultimately approved by the senior financial and operational management of the respective businesses. Any increases to credit limits on transactions resulting in limits being exceeded require the prior approval of the financial and managing directors. In addition, the asphalt and bitumen supply businesses obtain credit insurance over all customers that obtain credit terms.

ECL assessment

Trade receivables and contract assets exhibiting similar credit risks and behaviour are grouped together by geography and into the public and private sectors.

The Group analyses the aging of its trade and other receivables and contract assets retrospectively as well as the rate of default and actual losses incurred over a 36-month period. This period represents the average lifespan of a contract including the defects liability period.

From this analysis, the Group determines a historical PD and LGD. The PD and LGD represent the likelihood of the occurrence of a default and the quantum of any losses arising from that default. The historic ECL is adjusted after taking into account relevant quantitative and qualitative forward-looking information. Macro-economic forecasts incorporating sovereign credit ratings, gross domestic product (GDP) growth, inflation rates, interest rates, commodity prices where appropriate and external credit ratings from established rating agencies in respect of public sector entities, if applicable, are then evaluated for each geography to establish a forward-looking ECL. Judgement is required when assessing the future impact of these forecasts on the customer base of the Group.

The nature of construction projects undertaken by the Group usually constitutes large capital expenditure by customers for which the necessary funding has either been externally obtained, or provided for internally as part of the investment decision. For this reason, PDs and LGDs are historically low and in some cases zero. In instances where the LGD for a specific category of receivables is nil, the Group applies a deemed LGD of between 1.5% and 10% based on industry norms. In South Africa and the Rest of Africa, the highest PDs and LGDs are usually experienced within the public sector.

In instances where the Group determines a receivable to be credit-impaired, the receivable is excluded from the portfolio for the purposes of calculating an ECL and a specific credit loss is recognised. A specific credit loss is recognised when a financial asset is more than 120 days past due and based on an assessment of the individual circumstances relating to the default event.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 CREDIT RISK (CONTINUED)

CONTRACT RECEIVABLES, RETENTIONS AND CONTRACT ASSETS

The following table provides information about the exposure to credit risk and ECLs for contract receivables, contract retentions and contract assets at 30 June:

R 000	Contract receivables and retentions	Contract assets	Total	Specific loss allowance on contract receivables and retentions	General loss allowance on contract receivables and retentions	Loss allowance on contract assets	Total loss allowance	Net carrying amount
2024								
South Africa	**2 938 219**	**770 134**	**3 708 353**	**68 355**	**8 689**	**1 777**	**78 821**	**3 629 532**
Rest of Africa	**725 637**	**349 133**	**1 074 770**	**3 853**	**3 909**	**1 947**	**9 709**	**1 065 061**
United Kingdom	**1 013 710**	**23 234**	**1 036 944**	**51 059**	**1 933**	**60**	**53 052**	**983 892**
Total	**4 677 566**	**1 142 501**	**5 820 067**	**123 267**	**14 531**	**3 784**	**141 582**	**5 678 485**
2023								
South Africa	2 349 924	437 258	2 787 182	75 062	7 771	905	83 738	2 703 444
Rest of Africa	628 675	310 706	939 381	–	4 851	1 835	6 686	932 695
United Kingdom	1 094 448	30 907	1 125 355	39 566	2 040	100	41 706	1 083 649
Total	4 073 047	778 871	4 851 918	114 628	14 662	2 840	132 130	4 719 788
Note	9	8						

TRADE RECEIVABLES

The following table provides information about the exposure to credit risk and ECLs for trade receivables at 30 June:

R 000	Trade receivables	Specific loss allowance	General loss allowance	Total loss allowance	Net carrying amount
2024					
South Africa	**165 083**	**17 170**	**864**	**18 033**	**147 049**
Rest of Africa	**49 692**	**–**	**375**	**375**	**49 317**
United Kingdom	**18 646**	**–**	**37**	**37**	**18 609**
Total	**233 421**	**17 170**	**1 276**	**18 446**	**214 975**
2023					
South Africa	56 490	4 391	1 025	5 416	51 074
Rest of Africa	12 835	–	514	514	12 321
United Kingdom	3 922	–	8	8	3 914
Total	73 247	4 391	1 547	5 938	67 309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 CREDIT RISK (CONTINUED)

The following table illustrates the ranges in the metrics utilised to determine the ECL for contract receivables, contract retentions, contract assets, and trade receivables by country:

	Historic-based PD %	* Historic-based LGD %	Historically-based ECL %	Conversion to forward-looking ECL	Final ECL % 2024	Final ECL % 2023
South Africa	1.13 - 18.35	1.50 - 10.00	0.02 - 0.92	0.00 - 1.56	0.02 - 1.95	0.03 - 2.63
Rest of Africa*						
Namibia	13.14	5.00	0.66	–	0.66	0.3
Mozambique	11.50	5.00	0.58	–	0.58	0.6
Ghana	5.64 - 96.33	5.00	0.28 - 4.82	0.00 - 9.63	0.28 - 14.45	0.3 - 12.27
Zambia	40.23 - 58.76	5.00	2.01 - 2.94	1.01 - 1.47	3.02 - 4.41	1.62 - 3.61
Madagascar	3.38	5.00	0.17	–	0.17	0.2
Liberia	5.64	5.00	0.28	0.14	0.42	0.29 - 0.31
Tanzania	9.10	5.00	0.45	–	0.45	0.9
Lesotho	0.98	1.50	0.01	–	0.01	0.0
Botswana	0.89	5.00	0.04	–	0.04	0.1
United Kingdom	25.74	–	–	0.20	0.20	0.2

** Individual geographical regions within Africa have been aggregated into a Rest of Africa category as their loss allowances are individually immaterial*

24.2.2 LOANS TO ASSOCIATES AND JOINT VENTURES AND LONG-TERM RECEIVABLES

The Group is exposed to credit risk through loans advanced to certain entities in which it has a strategic interest (associates and joint ventures) and through loans advanced to third parties. The Group mitigates the risks relating to these loans by conducting credit assessments of the entities to whom advances are made. Loans of this nature are assessed and approved by the Credit committee. The Group further mitigates credit risk relating to long-term loans, specifically its mezzanine financing arrangements, by obtaining sufficient security to be able to extinguish the debt in the event of default.

Collateral held over mezzanine financing arrangements includes:

- Listed shares in a property development fund valued at R35.6 million (2023: R48.7 million), a cession of shares in a retail property development and a title to land with an estimated value of R40 million (2023: nil).
- Mortgage bond of R7 million and a personal suretyship of R7.8 million.
- A third party guarantee by the Export Credit Insurance Corporation of South Africa. The receivable was settled by the entity in the current year.

In determining the PDs and LGDs in respect of long-term receivables and loans to associates and joint ventures, the Group considers past payment history, historical financial information and any collateral held, including the liquidity thereof. The Group considers geographic and market conditions specific to the counterparty as well as macro-economic forecasts, including GDP growth rates, interest and inflation rates where appropriate when determining forward-looking ECLs. Judgement is applied when assessing the potential impact of macro-economic forecasts on each individual credit risk profile.

LOANS TO ASSOCIATES AND JOINT VENTURES

The table below provides information about the exposure to credit risk and ECLs for loans to joint ventures and associates at 30 June:

R 000	Gross carrying amount	Historic ECL %	Forward-looking factor	Forward-looking ECL %	Loss allowance	Net carrying amount
2024						
Property developments/developer*	399 222	–	0.25	0.25	918	398 304
Investments in concessions	149 173	0.6	1.0	0.6	932	148 241
Total	**548 395**				**1 850**	**546 544**
2023						
Property developments/developer*	300 657	–	0.25	0.25	752	299 905
Investments in concessions	147 253	0.63	1.00	0.63	915	146 338
Total	447 910				1 667	446 243

* No historic ECL applicable as the borrower has never defaulted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 CREDIT RISK (CONTINUED)

LONG-TERM RECEIVABLES

The following table provides information about the exposure to credit risk and ECLs for long-term receivables at 30 June:

R 000	Gross carrying amount	Historic ECL %	Forward-looking adjustment	Forward-looking ECL %	Loss allowance	Net carrying amount
2024						
Mezzanine financing arrangements						
Private	**133 538**	**0.33 - 4.00**	**1.00 - 1.50**	**0.33 - 4.32**	**7 943**	**125 595**
Consideration receivable	**33 338**	**1.50**	**1.00**	**1.50**	**500**	**32 838**
Total	**166 876**				**8 443**	**158 433**
2023						
Mezzanine financing arrangements						
Private	160 660	0.33 - 1.5	1.00	0.33 - 1.86	136	160 524
Public	28 425	0.06	1.00	0.06	18	28 407
Total	189 085				154	188 931

24.2.3 CASH AND CASH EQUIVALENTS

The Group manages its exposure to credit risk arising from cash and cash equivalents balances by placing its cash and cash equivalents with major banking groups and high-quality institutions with relatively high credit ratings in that country. The Group's treasury policy is designed to limit exposure to any one institution and the Group invests its excess cash and cash equivalents in low-risk investment accounts. The counterparties used by the Group are evaluated on a continuous basis. Cash balances have been assessed for expected credit losses. This has been performed through assessment of the counterparty risk of the related financial institutions where the cash is held. No expected credit losses have been provided for in the current or previous financial years as these were immaterial.

The external short-term/long-term risk rating grade of cash and cash equivalents as per Fitch Ratings Agency are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations:

R 000	Credit ratings of financial institutions	Cash and cash equivalents		Restricted cash	
		2024	2023	**2024**	2023
South Africa	**B/BB-**	**1 892 082**	2 029 643	**13 010**	14 183
Liberia	**B/BB-**	**45 766**	50 722	**–**	–
Ghana	**B/BB-**	**268 535**	341 046	**–**	–
Mozambique	**B/BB-**	**234 633**	238 434	**–**	86 710
Botswana	**B/BB-**	**60 111**	68 839	**–**	–
United Kingdom	**F1/A+**	**1 004 556**	816 867	**–**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.2 CREDIT RISK (CONTINUED)

RECONCILIATION OF THE LOSS ALLOWANCE RECOGNISED

The movement in the loss allowance in respect of financial assets during the reporting period is reconciled as follows:

	Specific loss allowance on contract and trade receivables and retentions R 000	General loss allowance on contract and trade receivables and retentions R 000	General loss allowance on contract assets R 000	General loss allowance on long-term receivables R 000	General loss allowance on loans to associates R 000	Total R 000
Loss allowance at 1 July 2022	88 458	21 533	1 718	569	807	113 085
Movement in loss allowance	–	(5 226)	988	(415)	745	(3 908)
Specific credit losses recognised	38 796	–	–	–	–	38 796
Specific credit losses recovered	(13 139)	–	–	–	–	(13 139)
Uncollectable amounts written off	1 001	–	–	–	–	1 001
Exchange rate effects	3 903	(99)	134	–	115	4 053
Balance at 30 June 2023	119 019	16 208	2 840	154	1 667	139 888
Movement in loss allowance	**–**	**138**	**1 123**	**8 289**	**212**	**9 762**
Specific credit losses recognised	**29 993**	**–**	**–**	**–**	**–**	**29 993**
Specific credit losses recovered	**(6 035)**	**–**	**–**	**–**	**–**	**(6 035)**
Exchange rate effects	**(2 540)**	**(539)**	**(179)**	**–**	**(29)**	**(3 287)**
Balance at 30 June 2024	**140 437**	**15 807**	**3 784**	**8 443**	**1 850**	**170 321**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.3 MARKET RISK (CURRENCY RISK)

Transactions in a foreign currency settled in that foreign currency

Transactions within certain of the Group's operations occur in various foreign currencies and consequently the Group is exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These transactions are entered into in the respective functional currencies of the individual operations and the Group mitigates this risk by settling the transactions with cash balances maintained in the various currencies utilised.

The exposure to significant foreign denominated monetary assets and liabilities is as follows:

	2024				
R 000	US Dollar	UK Pound Sterling	Botswana Pula	Ghana Cedi	Mozambique Meticais
Trade and other receivables	24 969	43 040	22 826	120 377	384 499
Cash and cash equivalents	33 043	43 763	45 566	46 459	174 441
Trade and other payables	(19 090)	(52 126)	(16 502)	(43 654)	(57 784)
	38 922	34 677	51 890	123 182	501 156
Closing rate	18.15	22.95	1.34	1.20	0.29
Average rate	18.71	23.56	1.38	1.51	0.29

	2023					
R 000	US Dollar	UK Pound Sterling	Botswana Pula	Ghana Cedi	Mozambique Meticais	Australian Dollar
Trade and other receivables	19 204	44 779	58 479	44 427	531 346	42 529
Cash and cash equivalents	59 171	34 510	52 127	24 158	216 961	32
Trade and other payables	(8 198)	(55 214)	(22 697)	(11 217)	(464 454)	–
	70 177	24 075	87 909	57 368	283 853	42 561
Closing rate	18.77	23.67	1.40	1.64	0.29	12.42
Average rate	17.72	21.34	1.36	1.59	0.28	11.93

Total cash and cash equivalents held by foreign subsidiaries amounts to R1,8 billion (2023: R1,7 billion).

Sensitivity analysis

A weakening of the Rand against the following currencies at 30 June would affect profit or loss and mainly the foreign currency translation reserve in respect of the translation of the balances of the following monetary items by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and is applied to the gross exposure at the reporting date.

	2024				
R 000	US Dollar	UK Pound Sterling	Botswana Pula	Ghana Cedi	Mozambique Meticais
Sensitivity percentage	5%	5%	5%	10%	5%
Trade and other receivables	1 248	2 152	1 141	12 038	19 225
Cash and cash equivalents	1 652	2 188	2 278	4 646	8 722
Trade and other payables	(954)	(2 606)	(825)	(4 365)	(2 889)
	1 946	1 734	2 595	12 318	25 058

	2023					
R 000	US Dollar	UK Pound Sterling	Botswana Pula	Ghana Cedi	Mozambique Meticais	Australian Dollar
Sensitivity percentage	10%	10%	5%	20%	10%	10%
Trade and other receivables	1 920	4 478	2 924	8 885	53 135	4 253
Cash and cash equivalents	5 917	3 451	2 606	4 832	21 696	3
Trade and other payables	(820)	(5 521)	(1 135)	(2 243)	(46 445)	–
	7 017	2 408	4 395	11 474	28 386	4 256

A strengthening of the Rand against the above currencies at 30 June would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.4 MARKET RISK (INTEREST RATE RISK)

The Group has adopted a policy where exposure to interest rate risk is on a floating rate basis linked to market rates on interest bearing bank deposits, borrowings and loans advanced.

At the reporting date, the interest rate profile of the Group's financial instruments was as follows:

R 000	Carrying amount	Interest bearing: Variable rate	Interest bearing: Fixed rate	Interest free
2024				
Loans to associates and joint ventures	**546 544**	**398 304**	**148 240**	**–**
Long-term receivables	**158 940**	**158 433**	**–**	**507**
Trade and other receivables	**5 282 036**	**–**	**–**	**5 282 036**
Long-term liabilities	**(257 764)**	**(196 284)**	**(59 389)**	**(2 091)**
Trade and other payables	**(4 500 291)**	**(281 854)**	**(27 282)**	**(4 191 155)**
Cash and cash equivalents	**3 660 049**	**3 660 049**	**–**	**–**
	4 889 514	**3 738 648**	**61 569**	**1 089 297**
2023				
Loans to associates and joint ventures	446 243	299 905	146 338	–
Long-term receivables	39 755	39 244	–	511
Trade and other receivables	5 026 932	149 687	–	4 877 245
Long-term liabilities	(338 211)	(259 287)	(65 779)	(13 145)
Trade and other payables	(4 885 112)	(300 599)	(44 615)	(4 539 898)
Cash and cash equivalents	3 684 687	3 684 687	–	–
	3 974 294	3 613 637	35 944	324 713

Fixed rate long-term liabilities relate to the settlement liabilities (note 10) where a fixed discount rate has been applied to determine the present value of the liabilities and have limited market risk.

Cash flow risk sensitivity analysis

An increase of 100 (2023: 100) basis points in interest rates at the reporting date would have increased or decreased profit for the reporting period by the amounts shown below. This analysis assumes that all other variables remain constant and is based on closing balances compounded monthly.

	2024 R 000	2023 R 000
Long-term receivables	**1 584**	392
Trade and other receivables	**–**	1 497
Cash and cash equivalents	**36 600**	36 847
Long-term liabilities	**(1 963)**	(2 593)
Trade and other payables	**(2 819)**	(3 006)
	33 402	33 137

A 100 (2023: 100) basis points decrease in interest rates at 30 June would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

24.5 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's cash flow forecasting typically ensures that it has sufficient cash available, as well as lines of credit, to meet its expected operational expenses including the servicing of financial obligations. The potential impacts of extreme circumstances that cannot reasonably be predicted such as major catastrophes like property damage, business interruption, public liability and political riot are covered by short-term insurance policies.

The table below sets out the remaining contractual maturities of the financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

R 000	< 1 years	2 - 5 years	Total
Liabilities measured at amortised cost			
2024			
Trade and other payables	**4 534 795**	**–**	**4 534 795**
Instalment sale agreements	**259 925**	**88 112**	**348 037**
Bank loans	**153 193**	**15 385**	**168 578**
Settlement agreement liabilities	**53 833**	**42 500**	**96 333**
Other long-term borrowings	**–**	**2 091**	**2 091**
	5 001 746	**148 088**	**5 149 834**
2023			
Trade and other payables	4 921 562	–	4 921 562
Instalment sale agreements	201 633	98 084	299 717
Bank loans	126 960	172 807	299 767
Settlement agreement liability	52 500	95 000	147 500
Other long-term borrowings	–	2 091	2 091
	5 302 655	367 982	5 670 637

The present value of liabilities measured at amortised cost is R618 million (2023: R677 million).

The contractual maturities of lease liabilities are disclosed in note 3.

The Group expects to meet its other obligations from operating cash flows, the proceeds of maturing financial assets, as well as from current cash reserves (note 28.6) held at various financial institutions.

Apart from asset specific finance agreements (note 10), in 2023 the Group negotiated a R350 million working capital loan facility with its primary banker (note 10). The remaining balance outstanding at 30 June 2024 is R53 million.

Parent company guarantees are disclosed in note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

25 CAPITAL MANAGEMENT

The Group maintains a strong capital base in order to foster investor, creditor and market confidence and to sustain the future development of the business. Management monitors the return on capital, and determines the level of dividends paid to ordinary shareholders.

Capital comprises shareholders' equity, including capital and reserves. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The amount of dividends paid by the Group is determined with reference to the liquidity and solvency of the Group giving consideration to budgets and forecasts.

The Group adopts a conservative approach when managing its financial position, assuming low levels of debt and maintaining substantial cash balances. Given the cyclical and often unpredictable nature of the construction environment, this approach is appropriate in providing flexibility during challenging environments and in protecting shareholder value.

	2024	2023
Debt / equity ratio (%)	**14.77**	20.67
Debt / income ratio	**0.40**	0.51

This measure has been adjusted to represent the total capitalised interest-bearing liabilities as a percentage of average shareholders' interest.

Bank loan covenants

In terms of the bank loans disclosed in note 10, the following covenants are in place:

		2024	2023
Loan facility over a student accommodation development: Total Debt less lease and settlement liabilities to EBITDA plus profit from associates and joint ventures	< 1.5	**0.53**	0.51
The working capital loan has the following financial covenants which need to be met quarterly on a rolling annual basis:			
• Debt Service Cover Ratio	> 1.2 times	**1.69**	3.59
• Total Interest Cover Ratio	> 7 times	**34.64**	31.33
• Total Debt to EBITDA Ratio	< 2 times	**0.27**	0.38

The Group has met the above covenants for both of these loans in the current reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

26 EMPLOYEE BENEFITS

ACCOUNTING POLICY

Defined contribution benefits

The Group's legal or constructive obligation under defined contribution plans is limited to the amount contributed to the fund. Consequently, the risk that assets invested will be insufficient to meet the expected benefits is borne by the employees.

Contributions to a defined contribution plan in respect of the services rendered in a particular period are recognised as an expense in profit or loss in that period.

Equity-settled share-based payment arrangements

The Group grants share options, share appreciation rights (SARs) and performance shares (PSs) to its employees. In terms of the WBHO Share Plan, approved by shareholders, the Group has the right to determine the vesting requirements and, in some instances, how the share-based schemes will be settled. The Group settles vested allocations with treasury shares. The Group recognises the share based payment expense in the statement of financial performance that represents the fair value of the share options at grant date, share appreciation rights and performance shares granted. A corresponding entry to equity is raised for equity-settled plans.

The acquisition of shares for the settlement of the equity schemes is accounted for as a separate transaction in equity. The cash outflow to acquire these shares is disclosed as a financing activity in the consolidated statement of cash flows. The fair value of options, SARs and PSs at the date of grant is recognised as an expense over the relevant vesting periods and subsequently adjusted for non-market conditions to reflect actual and expected levels of vesting.

The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. Where an employee resigns or is dismissed from the Group, the estimated share-based payment expense is adjusted such that on a cumulative basis, no expense is recognised in respect of that employee.

Cash-settled share scheme

The Group has a phantom share scheme in place for qualifying employees. The gain in the share price from the time of award up until the date of vesting will be settled in cash (net of any tax payable) on vesting date.

Over the period of the allocation the fair value of the estimated amount payable to employees in respect of the phantom shares is recognised as a share-based payment expense in the statement of financial performance and a corresponding liability is recognised at each reporting date. The fair value of the phantom shares granted is measured using generally accepted valuation techniques, taking into account the terms and conditions at which the phantom shares were granted. In the event that an employee resigns or is dismissed, the estimated share-based payment expense is adjusted such that on a cumulative basis, no expense is recognised in respect of that employee.

NOTE

26.1 EQUITY-SETTLED SHARE INCENTIVE SCHEMES

The WBHO Share Plan

Share Appreciation Rights (SARs)

Annual allocations, determined by the Remuneration Committee, are made to participants based on the fair market value of the shares on the allocation date. Rights may be settled, in shares, subject to the achievement of the performance criteria at the vesting date in equal thirds on the 3rd, 4th and 5th anniversaries, but need not be exercised until the 7th anniversary. On settlement, the value accruing to the participants is the full appreciation of the share price over the vesting period.

The performance target threshold comprises the average growth in headline earnings per share (HEPS) compared to the average CPI plus 3%, calculated annually in three-year cycles.

During the current and prior year, no share appreciation rights were issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

26 EMPLOYEE BENEFITS CONTINUED

26.1 EQUITY-SETTLED SHARE INCENTIVE SCHEMES

Performance Shares (PS)

Performance shares are awarded annually to participants for no consideration. Vesting commences on the 3rd anniversary of the award to the extent that the Group has met the specified performance criteria. Being a full value share element without a strike price, the number of shares that vest depend on the performance of the Group over the three year period.

Performance criteria	Weight	Threshold	Target vesting	Stretch
Return on capital employed (ROCE)	50%	14%	16%	20%
Relative total shareholder return (TSR)	50%	7th position	5th position	2nd position

Actual performance against the criteria at 30 June 2023 (Offer 2020) and 30 June 2024 (remaining offers):

	Offer 2020 PS	Offer 2021 PS	Offer 2022 PS	Offer 2023 PS
Return on capital employed	24.2%	31.8%	35.9%	34.8%
Relative total shareholder return	7th	3rd	2nd	4th

	Number of conditional awards 000	Number of awards vested and/or forfeited 000	Issue date	Strike price (cents)	Vesting period	Share-based payment expense R 000	Future expense to be recognised R 000
Performance shares							
2020*	337	337	18/11/2020	14 328	3 years	3 011	–
2021	530	5	25/11/2021	11 027	3 years	9 627	4 011
2022	413	5	24/11/2022	9 907	3 years	12 990	18 403
2023	418	–	24/11/2023	12 574	3 years	11 173	46 288
Total						36 801	68 702

*560 334 performance shares vested in November 2023 at an exercise price of R123.57 (2023: R95.17) relating to the award of performance shares in November 2020. The award achieved threshold for TSR with a ranking of seventh against the peer grouping and with an average ROCE of 24.2% over the period achieved stretch, resulting in 167.67% of the allocation vesting.

In calculating the share-based payment expense, valuations were performed using the Binomial model. To calculate the future share price the Geometric Brownian model was used and a three-year rolling volatility applied.

The following assumptions were made in determining the share-based payment expense:

	Offer 2023	Offer 2022	Offer 2021	Offer 2020
Volatility (%) (Volatility has been calculated using the historical WBHO share prices over the vesting periods)	40.9	37.68	35.5	37.2
Risk-free rate (%)	8.6-8.8	7.0-7.7	5.3-6.2	4.5-5.3
Dividend yield (%)	1.6	1.02	1.28	2.54
Attrition rate (%)	7.5	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

26 EMPLOYEE BENEFITS CONTINUED

26.2 THE WBHO MANAGEMENT TRUST

The trust is a structured entity through which options are offered to qualifying employees with the aim of retaining existing talent within the Group. The vesting period for the options is five years with a 2-year exercise period. These options are exercisable when the share price exceeds the allocation price and employees can elect to vest the shares at any time during the two year period. The share options are equity-settled and are valued using the Binomial model. The following estimates and assumptions were used in the calculation of the share-based payment expense:

	Share options 2016	Share options 2020	Share options 2021
Grant date share price	145.00	114.02	119.10
Exercise price	110.40	109.45	109.51
Volatility (%) (Calculated using historical WBHO share prices over the vesting periods)	25.0	33.9	35.5
Risk-free rate (%)	8.5	7.5	7.3
Dividend yield (%)	2.5	2.5	2.6
Attrition rate (%)	5.0	7.5	7.5

During the current year 475,000 options were exercised in the WBHO Management Trust relating to Offer 2015 and Offer 2016. The exercise prices varied from a low of R119.00 to a high of R160.91. The weighted-average exercise price was R132.37.

The table below provides details of the long-term incentives awarded to employees other than directors and prescribed officers:

	2024	2023
Total options allocated ('000)	**1 645**	2 197
As at 1 July 2023	**2 197**	2 197
Vested in the current year	**(475)**	–
Forfeited during the year	**(77)**	–
Shares available for future allocations	**1 636**	1 084
Share-based payment expense recognised in profit or loss (R 000)	**10 078**	10 078
Future share-based payment expense (R 000)	**16 595**	26 673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

26 EMPLOYEE BENEFITS CONTINUED

26.3 CASH-SETTLED INCENTIVE SCHEME

PHANTOM SHARE SCHEME

A retention scheme in which key qualifying individuals are allocated phantom shares and must remain in the employment of the Group for three years from the date of award. Employees will receive the cash equivalent of the growth in the linked share price, namely the WBHO share price, from the date of allocation to the date of vesting.

On 1 July 2022, 913,000 phantom shares were issued to 71 employees for R79.50. At 30 June 2024, 861 000 (2023: 899 000) phantom shares remained.

In calculating the share-based payment expense of R35 million for 30 June 2024 (2023: R11 million), the Black Scholes model was used to perform the valuation. An annual valuation is performed to determine the value of the liability which amounts to R46.6 million at 30 June 2024. Accordingly, the assumptions made at the date of allocation and at 30 June are:

	2024	2023
Share price on valuation date (ZAR)	160.08	104.48
Strike price (ZAR)	79.50	79.50
Risk-free rate (%)	8.0	8.8
Dividend yield (%)	1.4	2.0
Volatility (%)	39.1	41.0
Attrition rate(%)	7.5	7.5

26.4 AKANI 2 EMPLOYEE INCENTIVE SCHEME

In June 2023, the Group established a black economic empowerment initiative to replace the previous scheme. Under the new initiative, the Group created structured entities with whom the Group has entered into contractual agreements to establish the broad-based black economic empowerment transaction (B-BBEE transaction).

Akani Holdings (Pty) Ltd (Akani 2) was established and the Company issued subscription shares to Akani 2. The ordinary shares of Akani 2 were issued to the following entities:

- 90% to the WBHO Broad Based Employees Share Incentive Trust (BBESI Trust);
- 8% to the Akani Share Incentive Trust (ASI Trust); and
- 2% to the Akani Defined Beneficiary Trust (ADB Trust).

The BBESI Trust and ASI Trusts operate for the benefit of employees who meet certain minimum qualifying criteria which include having been employed within the Group for a minimum of five years.

The ADB Trust operates for the benefit of black women, youth and black people living in rural and under developed areas, and is aimed at creating social development in these areas.

IFRS 2 is not applicable to this scheme and the Group has elected to treat Akani 2 and the Trusts as agents of the Company and to apply a look-through approach when accounting for these entities as the Group has control over these trusts. On this basis, these entities are treated as if they are an extension of the Company and the assets and liabilities of these entities are accounted for as assets and liabilities of the Company. The shares of the Company held by the special purpose entities are treated as treasury shares and have been disclosed in the statement of changes in equity.

When determining that these entities act as an agent on behalf of the Company, consideration has been given to the following:

- the entities have been established solely for the purpose of fulfilling the black economic empowerment initiative of the Group;
- the only party with whom the entities engage is the Company; and
- the beneficiaries of the black economic empowerment initiative are the employees of the Group.

Akani 2 participates in dividends declared by the Company, and in turn makes distributions to the ASI, ADB and BBESI Trusts based on the Akani 2 shares held by the trusts. The trusts make distributions to the ultimate beneficiaries, being the qualifying employees of the Group, at the discretion of the trustees.

During the year, a dividend of R14.8 million was distributed to Akani 2. BBESI made a distribution of R12 million to its beneficiaires and ASI made a distribution of R890,180 to its beneficiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

27 SEGMENT ANALYSIS

Reportable segments reflect the operating management structure of the Group and are identified both geographically and by the key markets which they serve. The segments are regularly reviewed by the Group's chief operating decision maker, defined as the Executive Committee, in order to allocate resources and assess the performance of the segments.

None of the operating segments are aggregated and there are no additional segments to report separately. Inter-segment revenue is measured in line with the Group's revenue recognition criteria (note 15) and eliminated.

Non-current assets by geographic segment are disclosed net of deferred tax.

The Group has five reportable segments. The activities of each segment are noted below:

BUILDING AND CIVIL ENGINEERING

Construction of retail shopping centres, commercial buildings, hotels, hospitals and residential apartments, for the private and public sectors, as well as civil engineering related infrastructure for the mining, industrial, energy and oil and gas sectors, as well as state-owned entities.

ROADS AND EARTHWORKS

Activities include road, energy and mining infrastructure, water and gas pipelines and other large infrastructure projects.

UNITED KINGDOM

Construction of retail, residential and commercial buildings for the private building sector including building refurbishments and fit-out projects

PROPERTY DEVELOPMENTS

Acquisition of land or the rights to land and the development of schemes with a view to build and sell the properties.

CONSTRUCTION MATERIALS

Sales and manufacture of long-steel products.

Reportable segments

	Continuing operations						Discontinued operations	Total operations
	Building and civil engineering R 000	Roads and earthworks R 000	United Kingdom R 000	Property developments R 000	Construction materials R 000	Total R 000	Australia R 000	Total R 000
2024								
Revenue	12 246 638	8 935 105	5 379 389	13 357	1 502 142	28 076 631	–	28 076 631
Inter-segment revenue	(178 642)	–	–	–	(372 412)	(551 054)	–	(551 054)
Revenue - external customers	12 067 996	8 935 105	5 379 389	13 357	1 129 730	27 525 577	–	27 525 578
Operating profit/(loss) by segment	568 009	625 899	183 200	13 125	24 756	1 414 989	(4 749)	1 410 240
Share-based payments expense	–	–	–	–	–	(82 242)	–	(82 242)
Impairment of goodwill (note 3)	–	–	(85 987)	–	–	(85 987)	–	(85 987)
Operating profit	568 009	625 899	97 213	13 125	24 756	1 246 760	(4 749)	1 242 011
Items regularly reported to the Executive committee:								
Operating costs	11 274 504	7 947 495	4 740 369	232	1 021 039	24 983 639	–	24 983 639
Administrative expenses	196 548	184 551	388 608	–	71 318	841 025	–	841 025
Depreciation	16 627	236 763	67 212	–	12 655	333 257	–	333 257
Right-of-use assets capitalised	–	2 258	6 606	–	33 205	42 069	–	42 069
Capital expenditure	12 704	484 634	21 157	–	14 783	533 278	–	533 278

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

27 SEGMENT ANALYSIS (CONTINUED)

	Continuing operations						Discontinued operations	Total operations
	Building and civil engineering R 000	Roads and earthworks R 000	United Kingdom R 000	Property developments R 000	Construction materials R 000	Total R 000	Australia R 000	Total R 000
2023								
Revenue	11 046 161	6 871 300	4 987 904	24 548	1 263 180	24 193 093	–	24 193 093
Inter-segment revenue	(65 286)	(14 500)	–	–	(344 560)	(424 346)	–	(424 346)
Revenue - external customers	10 980 875	6 856 800	4 987 904	24 548	918 620	23 768 747	–	23 768 747
Operating profit/(loss) before non-trading items	504 401	449 561	117 453	18 297	22 844	1 112 556	(100 191)	1 012 365
Share-based payments expense	–	–	–	–	–	(54 562)	–	(54 562)
Operating profit	504 401	449 561	117 453	18 297	22 844	1 057 994	(100 191)	957 803
Items regularly reported to the Executive committee:								
Operating costs	10 288 270	6 109 141	4 428 646	–	819 335	21 645 392	–	21 645 392
Administrative expenses	128 013	172 794	310 160	–	67 954	678 921	–	678 921
Depreciation	9 832	157 407	65 823	–	14 986	248 048	–	248 048
Right-of-use assets capitalised	–	3 428	33 122	–	4 905	41 455	–	41 455
Capital expenditure	5 476	471 769	238 533	–	3 843	719 621	–	719 621

Geographic segments	2024 R 000	2023 R 000
Revenue from continuing operations		
South Africa	**18 925 884**	15 700 491
Rest of Africa	**3 220 304**	3 080 352
United Kingdom	**5 379 389**	4 987 904
	27 525 577	23 768 747
Operating profit from continuing operations		
South Africa	**930 372**	772 423
Rest of Africa	**301 417**	222 680
United Kingdom	**183 200**	117 453
	1 414 989	1 112 556
Share-based payments expense	**(82 242)**	(54 562)
Impairment of goodwill	**(85 987)**	–
	1 246 760	1 057 994
Operating loss from discontinued operations (Australia)	**(4 749)**	(100 191)
	1 242 011	957 803
Non-current assets		
South Africa	**2 285 621**	1 954 686
Rest of Africa	**588 728**	521 273
United Kingdom	**971 573**	1 138 717
	3 845 922	3 614 676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

	2024 R 000	2023 R 000
28 CASH FLOW INFORMATION		
28.1 CASH GENERATED BY OPERATIONS		
Operating profit from continuing operations	**1 246 760**	1 057 994
Adjusted for non-cash items:		
Share-based payment expense	**82 242**	54 562
Impairment of goodwill	**85 987**	–
Unrealised foreign exchange translation losses/(gains)	**13 597**	(135 840)
Depreciation	**334 139**	248 048
Increase in credit loss allowance	**7 706**	25 921
Profit on termination of lease liability	**(1 258)**	(2 458)
Profit from disposal of property, plant and equipment	**(22 645)**	(9 115)
Operating income before working capital changes:	**1 746 528**	1 239 112
Working capital changes:		
Decrease/(increase) in inventories	**855**	(6 268)
Increase in contract assets	**(427 631)**	(325 550)
Increase in contract liabilities	**1 008 574**	317 175
Increase in trade and other receivables	**(324 212)**	(674 754)
Decrease/(increase) in trade and other payables	**(428 580)**	889 558
Payments in respect of settlement agreement liabilities	**(23 833)**	(10 000)
Movement in provisions	**(516 634)**	132 686
Cash generated from operations	**1 035 067**	1 561 959
28.2 INCOME TAX		
Net tax receivable at 1 July	**193 300**	51 725
Current tax expense	**(561 620)**	(342 330)
Net tax receivable at 30 June	**(26 466)**	(193 300)
Income tax paid	**(394 786)**	(483 905)
28.3 INSTALMENT SALE AGREEMENTS		
Liabilities outstanding at 1 July	**277 388**	103 563
Additions	**312 145**	318 664
Finance costs	**55 088**	16 440
Foreign currency effect	**(1 601)**	563
Liabilities outstanding at 30 June	**(345 084)**	(277 388)
Instalment sales paid	**297 936**	161 842
Consisting of		
Capital	**266 358**	133 908
Interest	**31 578**	27 934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

28 CASH FLOW INFORMATION (CONTINUED)

	2024 R 000	2023 R 000
28.4 LEASE LIABILITIES		
Liabilities outstanding at 1 July	**168 068**	242 932
Additions	**28 012**	41 460
Reassessments/modifcations	**14 057**	–
Liability derecognised	**(3 873)**	(100 748)
Finance costs	**7 353**	6 180
Foreign currency effect	**(3 720)**	31 301
Liabilities outstanding at 30 June	**(162 718)**	(168 068)
Lease liabilities paid	**47 179**	53 057
Consisting of		
Capital	**39 826**	46 877
Interest	**7 353**	6 180
28.5 LONG-TERM LIABILITIES		
Liability outstanding at the beginning of the year	**271 443**	130 782
Additions	**–**	350 000
Interest accrued	**20 724**	31 559
Non-cash settlement	**–**	(15 092)
Liability outstanding at the end of year	**(153 601)**	(271 443)
Long-term liabilities paid	**138 566**	225 806
Consisting of		
Capital	**117 693**	193 958
Interest	**20 873**	31 848
28.6 CASH AND CASH EQUIVALENTS		
Current and call accounts	**3 660 049**	3 684 687
South Africa		
Cash and cash equivalents	**1 892 082**	2 029 643
Restricted cash and cash equivalents	**(13 010)**	(14 183)
Total	**1 879 072**	2 015 460
Rest of Africa		
Cash and cash equivalents	**763 411**	838 177
Restricted cash and cash equivalents	**–**	(86 710)
Total	**763 411**	751 467
United Kingdom		
Cash and cash equivalents	**1 004 556**	816 867
Total	**1 004 556**	816 867

Restricted cash balances: R13 million (June 2023: R14 million) in South Africa relates to the Group's broad-based share incentive scheme. In the prior period, R87 million in respect of monies held in Mozambique was pledged as security for a loan obtained from the Group's primary banker.

29 EVENTS AFTER THE REPORTING DATE

The Board is not aware of any other matter or circumstance arising since the end of the reporting period not otherwise dealt with in the consolidated financial statements, which could significantly affect the financial position of the Group at 30 June 2024 or the results of its operations or cash flows for the period then ended.

ANNEXURE 1

INVESTMENTS IN SUBSIDIARIES

FOR THE YEAR ENDED 30 JUNE 2024

	Country of Incorporation	Issued capital	**Effective holding 2024 %**	Effective holding 2023 %
Held directly				
WBHO Construction (Pty) Ltd	South Africa	R900 000	**100**	100
WBHO Industrial Holdings (Pty) Ltd	South Africa	R1	**100**	100
Special purpose entities				
WBHO Management Trust	South Africa	–	**–**	–
WBHO Share Trust	South Africa	–	**–**	–
WBHO Broad-based Employee Share Incentive Trust	South Africa	–	**–**	–
Akani 2 Investment Holdings (Pty) Ltd	South Africa	R145 117	**–**	–
Held indirectly				
Roadspan Surfaces (Pty) Ltd	South Africa	R10 000	**100**	100
St Francis Golf Links (Pty) Ltd	South Africa	R100	**100**	100
Capital Africa Steel (Pty) Ltd	South Africa	R650 834 562	**100**	100
Tekfalt Binders (Pty) Ltd	South Africa	R100	**100**	100
Balmoral Crushers (Pty) Ltd	South Africa	R120	**100**	100
WBHO Mozambique Projectos Limitada	Mozambique	MZN 10 000 000	**100**	100
WBHO Namibia (Pty) Ltd	Namibia	N$ 1	**100**	100
WBHO Construction Zambia Limited	Zambia	ZMW 10 000	**100**	100
Kalcon (Pty) Ltd	Botswana	P 2	**100**	100
WBHO Ghana (Pty) Ltd	Ghana	$ 500 000	**100**	100
WBHO Quantum LC Company Limited	Ghana	–	**30**	49
WBHO Madagascar SARL	Madagascar	MGA 14 399 200 000	**100**	100
WBHO Tanzania (Pty) Ltd	Tanzania	–	**100**	100
WBHO Mining & Civil Limited	Tanzania	–	**49**	49
WBHO SC Limited	Liberia	$ 10 000	**90**	90
WBHO UK Limited	England	GBP 100	**100**	100
Byrne Group Limited	England	GBP 1 137 400	**80**	80
WBHO-Russells Limited	England	GBP 750	**100**	100

Investments in dormant subsidiaries are not disclosed.

ANNEXURE 2

INTERESTS IN JOINT OPERATIONS

FOR THE YEAR ENDED 30 JUNE 2024

All of the joint operations listed below are involved in construction activities.

Investments in significant non-statutory entities	Country of operation	**2024** %	2023 %
Kusile Civils Joint Venture	South Africa	**50**	50
Montrose Interchange Joint Venture	South Africa	**75**	75
WBHO Vlakfontein Civils Joint Venture	South Africa	**71**	71
WBHO Sola Tronox Joint Venture	South Africa	**80**	80
WBHO Sola Arm EPC Joint Venture	South Africa	**80**	80
WBHO Sola Springbok EPC Joint Venture	South Africa	**80**	80
Siloam Joint Venture	South Africa	**40**	40
Barlow Park Joint Venture	South Africa	**70**	70
YFPO Joint Venture	South Africa	**50**	50
WTP Canelands Shoprite Joint Venture	South Africa	**65**	65
WT DSV Riverhorse Valley Joint Venture	South Africa	**70**	70
Teraco JB5 Joint Venture	South Africa	**60**	60
WBHO H&I Joint Venture	South Africa	**50**	50
Ndawonye Joint Venture	South Africa	**50**	50
Beestekraal Joint Venture	South Africa	**70**	70
WT CLP 3C Joint Venture	South Africa	**55**	55
The One Student Accommodation Joint Venture	South Africa	**60**	60
Middelburg Pre-Cast Factory Joint Venture	South Africa	**40**	40
Grahamstown Joint Venture	South Africa	**50**	50
Gamsberg Joint Venture	South Africa	**50**	50
Barlow Park 2 Joint Venture	South Africa	**40**	40
Riverlands Precinct 1A Joint Venture	South Africa	**60**	60
WBHO-Pandev Residential North Tower Joint Venture	South Africa	**90**	90
WBHO-Ghana Alexiboam Joint Venture	Ghana	**70**	70

ANNEXURE 3

SHAREHOLDER ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2024

Shareholder spread	No of Shareholdings	%	No of Shares	%
1 - 1,000 shares	2 765	75.69	424 997	0.60
1,001 - 10,000 shares	529	14.48	2 002 442	2.82
10,001 - 100,000 shares	271	7.42	8 957 773	12.61
100,001 - 1,000,000 shares	77	2.11	23 599 355	33.23
1,000,001 shares and over	11	0.30	36 033 858	50.74
Total	**3 653**	**100.00**	**71 018 425**	**100.00**

Distribution of shareholders	No of Shareholdings	%	No of Shares	%
Banks/Brokers	61	1.67	5 408 208	7.62
Close Corporations	12	0.33	7 282	0.01
Empowerment	2	0.05	15 340 436	21.60
Endowment Funds	17	0.47	94 843	0.13
Individuals	2 714	74.30	2 929 107	4.12
Insurance Companies	35	0.96	3 107 836	4.38
Investment Companies	1	0.03	39 695	0.06
Medical Schemes	14	0.38	375 746	0.53
Mutual Funds	239	6.54	20 981 200	29.54
Other Corporations	10	0.27	2 277	0.00
Private Companies	56	1.53	392 993	0.55
Public Companies	3	0.08	266	0.00
Retirement Funds	291	7.97	17 449 484	24.57
Share Trust	2	0.05	2 848 021	4.01
Sovereign Wealth Fund	2	0.05	294 536	0.41
Treasury Stock	1	0.03	142 317	0.20
Trusts	193	5.28	1 604 178	2.26
Total	**3 653**	**100.00**	**71 018 425**	**100.00**

Public/non-public shareholders	No of Shareholdings	%	No of Shares	%
Non - Public Shareholders	**17**	**0.47**	**18 892 905**	**26.60**
Directors and Associates	7	0.19	313 954	0.44
Prescribed officers	5	0.14	248 177	0.35
Empowerment	2	0.05	15 340 436	21.60
Treasury Stock	1	0.03	142 317	0.20
WBHO Share and Management Trusts	2	0.05	2 848 021	4.01
Public Shareholders	**3 636**	**99.53**	**52 125 520**	**73.40**
Total	**3 653**	**100.00**	**71 018 425**	**100.00**

Beneficial shareholders holding 3% or more	No of Shares	%
Akani 2 Investment Holdings (Pty) Ltd	14 511 669	20.43
Government Employees Pension Fund	12 019 252	16.92
Old Mutual	5 716 207	8.05
PSG Konsult	4 170 498	5.87
WBHO Management Trust	2 805 646	3.95
Foord Asset Management	2 059 563	2.90
Total	**41 282 835**	**58.13**

Geographical Breakdown	No of Shareholdings	%	No of Shares	%
South Africa	3 469	94.96	65 972 629	92.90
United States of America and Canada	21	0.57	3 132 291	4.41
Rest of the Europe	18	0.49	467 647	0.66
Rest of the World	124	3.39	522 686	0.74
United Kingdom	21	0.57	923 172	1.30
Total	**3 653**	**100.00**	**71 018 425**	**100.00**

WWW.WBHO.CO.ZA