TUHF Holdings Limited
(Registration number 2007/024010/06)
Annual financial statements
for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business of the company is to invest in subsidiary companies whose main business is to provide commercial property finance in the form of bridging, equity finance and long term loans secured by mortgage collateral and other financial products to finance entrepreneurs and landlords for the purchase, construction and improvement of property for the purpose of the regeneration of South African inner city precincts and surrounding suburbs showing indications of decline where the primary objective is the supplying of housing and associated commercial property for rental stock.
Directors	SS Moraba TM Adler C Coovadia RR Emslie JF Howard PGN Jackson JK Mamatela JS Strelitz IL Roodt L Vutula B Mopangwana
Business address	12th Floor, West Wing Libridge Building 25 Ameshoff Street Braamfontein 2001
Postal address	PO Box 30872 Braamfontein 2017
Holding company	TUHF21 NPC Incorporated in South Africa
Auditor	Deloitte & Touche
Secretary	Kilgetty Statutory Services Proprietary Limited
Company registration number	2007/024010/06
Preparer	The annual financial statements were internally compiled by: Lutic Mosoane BAP (SA) – Winsome Africa under the direction and review of Imke Kruger CIMA (SA) following the detailed workings provided, including a company working file for disclosure and a consolidation working file. A second review of the financial statements was performed by Ilona Roodt, CA (SA)
Issued	31 August 2021

Contents

Audit and Risk Committee Report

The audit and risk committee is pleased to present its report to the shareholders of TUHF Holdings Limited as required in terms of section 94(7) of the Companies Act 71 of 2008.

1. Members of the Audit and Risk Committee

The members of the audit and risk committee are all non-executive directors of the group and include:

Name
Cas Coovadia
Robert Emslie
Mandu Mamatela

The committee has the financial and commercial expertise and experience to properly execute its duties and responsibilities. The external audit partner and representative of the internal auditors attend the meetings by invitation. Both external and internal auditors present formal reports to the committee.

2. Duties and responsibilities

The committee's duties and responsibilities are set out in the audit and risk charter approved by the TUHF Holdings Limited board and reviewed annually, as well as in terms of the Companies Act. The committee has regulated its affairs in compliance with this charter. The committee assists the Group's boards in discharging their fiduciary and corporate governance responsibilities in relation to:

- the safeguarding of assets;
- the operation of adequate systems and controls, including business continuity plans;
- the adequacy and effectiveness of financial, audit, compliance and IT-related matters;
- preparation of statutory financial reporting and statements;
- developing and sustaining the Group's compliance framework and process;
- preparation of sustainability information; and
- prioritising and ranking risks facing the Group and understanding their causes and consequences.

A risk management committee, chaired by the CFO and comprising senior management, has been established to assist the committee in its governance of risk management.

During the year under review, the committee held three meetings.

The committee is satisfied with the quality, effectiveness, independence and objectivity of Deloitte & Touche as the external auditors.

The committee has approved Deloitte & Touche terms of engagement and, in addition, has approved the fees paid to them.

At the forthcoming annual general meeting to be held on 31 August 2021, the committee will propose that Deloitte & Touche be the Group auditors for the 2022 financial year. This appointment will comply with the Companies Act.

3. Summary of key focus areas and achievements

The committee:

- monitored the impact of the global Covid-19 Pandemic particularly on the IFRS 9 Model and its implementation, the economy and uncertainty around collection levels and the business cashflows and assisted in the development of strategies to ensure TUHF remained a going concern;
- monitored the implementation of the IFRS 9 ECL calculations and reviewed and approved the IFRS 9 section of the Mortgage Loan and Credit Policy;
- monitored the progress in obtaining condonations from all our funders as regards funder covenant levels that exceeded contractual requirements for the financial period to 31 March 2021;
- monitored the impact and progress in accounting for the TUHF Equity Proprietary Limited companies acquired during the period; Silverkey Proprietary Limited, Better Urban Living 2 Proprietary Limited and Jeppestown Urban Trust;
- reviewed the Integrated Annual Report and recommended it to the board for approval;
- attended to the process of appointing new Group external auditors through a tender process and recommended the appointment of Deloitte;
- the external audit plan was reviewed and approved with the is following audit key focus areas;
    - internal controls
    - expected credit loss methodologies and how these were applied.

  - TUHF's significant risks and fraud risk;
  - Related party transactions and balances; and
  - Compliance with rules and regulations
- reviewed the internal auditors' report, covering the financial discipline review which was rated as satisfactory for the financial ended March 2020:
- the following internal audits were planned for the 2021 financial year,
  - annual financial discipline review
  - cyber review
  - Compliance and Risk functions review and the
  - Liquidity management review.

  but due to the COVID19 impact that required focus in other areas of the business, the Cyber, Compliance and Risk functions and the liquidity management reviews were deferred to 2022.
- the 2021 annual financial disciplinary review was completed during the year with satisfactory conclusion;
- approved the TUHF Risk Management Framework for implementation by the Risk Management Committee;
- and continued monitoring the development of the IT architecture including an assessment and enhancement of IT systems, system integration, data, and reporting requirements.

Monthly management accounts and loan book analyses, quarterly funders' reports for key stakeholders, the annual financial statements and accounting policies and integrated annual report;

The development of work programmes to provide management with a broad understanding of the status of compliance with higher risk regulatory requirements;

Development of a POPI compliance project to comply with applicable regulatory requirements;

The reports of the internal audit functions and recommendations on the state of the Group's internal financial controls, credit risk management process and portfolio management. Audits of liquidity risk and market risk management have been postponed to the forthcoming financial year;

The review of the external auditor's March 2021 audit plan; highlighting key audit areas, such as IFRS 9.

The review of the internal audit plan for the financial year ended March 2021, which will cover liquidity risk management, market risk management, credit risk management follow up, selected IT controls review and internal financial control review;

Reviewing the annual financial statements and recommending it to the board for approval;

Reports on the risk assessments and risk management processes in the Group and the exposure to the following:
- Strategies and managing processes for the IT Risk Management framework;
- Liquidity risk and progress in the Jobs Fund programme and the DMTN programme, as well as negotiations with current and potential new funders;
- Credit and solvency risks and a continuous assessment that key ratios remain within the dashboard indicators and funder covenants;
- Market risk and the effect of negative macro-economic developments and the necessity of monitoring these effects as the outcome becomes more certain; and
- Operational and political risks were reviewed.

The review of the application of the King IV principles was further assessed during the 2021 financial year. Some amendments and updates to the sub-committees' terms of reference, governance policies and codes to align them to recommended practices have been made. Additional improvements will continue to be introduced such as the changes to the audit and other relevant committees in line with the recommended practices.

In discharging its responsibilities during the year under review, the committee has not found or become aware of any material failures, irregularities or misstatements affecting the Group's internal controls, structures and systems. This includes financial controls, accounting policies and controls, and reporting, incorporating the maintenance and improvement of accounting and control systems.

4. Internal auditor

The committee has evaluated the role, independence and effectiveness of the internal auditor, KPMG, and is satisfied that their performance meets requirements of the Group's risk management system.

Audit and Risk Committee Report

5. Statutory reporting

The committee has evaluated the consolidated and separate annual financial statements of the group for the year ended 31 March 2021. Based on the information provided to the committee, it is of the opinion that the group complies in all respects with the requirements of the Companies Act, the International Financial Reporting Standards and all other applicable legislation.

6. Internal financial functions

The Board of the Group has delegated the responsibility for the oversight of the financial reporting to the committee. The committee has taken responsibility for the governance of financial reporting, internal and external audits, and internal controls and policies.

The competency, skills and resources of the finance function required by the Group have been assessed, and the committee is satisfied that the finance function requirements are adequate and appropriate.

The committee is satisfied that the internal controls of the Group operated effectively during the year ended 31 March 2021. The committee also provides reasonable assurance that the financial records for the preparation of the annual financial statements can be relied upon.

7. Chief financial officer

The committee has, under review, affirmed that Ms. Ilona Roodt has the expertise and experience to undertake the duties and responsibilities of the chief financial officer.

8. Company secretary

The committee has satisfied itself that the company secretary, Kilgetty Statutory Services Proprietary Limited, has the appropriate competence and experience and will maintain an arm's-length relationship with directors.

9. King IV register

The application of the King IV Code is undertaken by the Group and disclosed in the consolidated financial statements of TUHF Limited and TUHF Holdings Limited, and in the TUHF21 NPC Integrated Annual Report:
http://www.tuhf.co.za/investorrelations/#tuhf-limited.

10. Recommendation of the annual financial statements

The committee has fulfilled its oversight role regarding the reporting process for the consolidated and separate annual financial statements and being satisfied with the integrity of this report, recommends that the annual financial statements be approved by the board of directors.

Robert Emslie
Chairman Audit Committee

Tuesday, 31 August 2021

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 16 to 79, which have been prepared on the going concern basis, were approved by the board of directors on 31 August 2021 and were signed on their behalf by:

SS Moraba | **PGN Jackson**

Tuesday, 31 August 2021

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Matthew Wray for and on behalf of Kilgetty Statutory Services (Pty) Ltd
Johannesburg
31 August 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of TUHF Holdings Limited and it's subsidiaries for the year ended 31 March 2021.

1. Incorporation

The company was incorporated in South Africa on 24 August 2007 and obtained its certificate to commence business on the same day.

2. Nature of business

The main business of the company is to invest in subsidiary companies whose main business is to provide commercial property finance in the form of bridging, equity finance and long term loans secured by mortgage collateral and other financial products to finance entrepreneurs and landlords for the purchase, construction and improvement of property for the purpose of the regeneration of South African inner city precincts and surrounding suburbs showing indications of decline where the primary objective is the supplying of housing and associated commercial property for rental stock.

TUHF Holdings Limited operates in a very narrow segment of funding. There are no clearly distinguishable segments within the business. As such no segmental information has been provided.

There have been no material changes to the nature of the group's business from the prior year.

3. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated and separate annual financial statements.

4. Share capital

	2021	2020
Authorised	Number of shares	
Ordinary shares of no par value	150 000 000	150 000 000
Class C ordinary shares of no par value	20 000 000	20 000 000
No par value unspecified share	100 000 000	100 000 000
Cumulative redeemable preference shares of R1 000 per share	35 000	35 000

	2021	2020	2021	2020
Issued	R	R	Number of shares	
Ordinary shares*	90 012 741	90 012 741	79 551 833	79 551 833
Class C ordinary shares: National Housing Finance Corporation SOC Limited	6 533 403	6 533 403	7 936 059	7 936 059
Class C ordinary shares: TUHF21 NPC	18 802 212	18 802 212	5 290 706	5 290 706
Share Premium	18 739 068	18 739 068	-	-
	134 087 424	**134 087 424**	**92 778 598**	**92 778 598**

Refer to note 21 of the consolidated and separate annual financial statements for detail of the movement in authorised and issued share capital.

*The ordinary shares at group level includes 100 shares allocated to the TUHF Urban Finance Owner Trust, 100 shares allocated to the Vuselela Warehouse SPV Owner Trust, 100 shares allocated to the Vuselela Collections SPV Owner Trust and 100 shares allocated to The Urban Ubomi 1 Issuer Owner Trust.

Directors' Report

5. Dividends

Depending on the perceived need to retain funds for operating purposes, the directors will at their discretion consider and approve a dividend.

Ordinary shares	**2021**	**2020**
Dividend paid in respect to prior year	-	15 433 444

Preference shares	**2021**	**2020**
Interest charge for the year on preference shares issued	1 810 948	2 525 696

6. Conditional share plan

The Group has a Conditional Share Plan (CSP) from which conditional share and cash awards are granted to senior employees and junior employees respectively of TUHF Limited.

The awards granted are subject to a performance management system and are measured over a three year performance period. The performance conditions of the awards are determined by the management of the employing companies (presently only TUHF Limited) for each of the performance years by means of a performance management assessment (Performance Contract).

For each of the financial years covering the performance period, the performance level of the Performance Contract will be reviewed. At the end of the performance periods the Performance Contract will be finalised. The company's Remuneration Committee, together with the management of TUHF Limited, will examine the extent to which performance conditions have been satisfied and determine the awards that employees will be entitled to. The awards decided upon will be vested over a period of three years in equal numbers.

	2021	**2020**
During the year under review, the following transactions took place:		
-Conditional awards granted	-	5 234 292
-Conditional awards purchased	-	41 899
As at 31 March		
-Total shares vested to date	2 668 297	2 668 297
-Treasury shares held by TUHF Limited	1 997 621	1 997 621

7. Directorate

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

Directors	**Designation**
SS Moraba	Non-executive
TM Adler	Non-executive
C Coovadia	Non-executive
RR Emslie	Non-executive
JF Howard	Non-executive
PGN Jackson	Executive
JK Mamatela	Non-executive
JS Strelitz	Non-executive
IL Roodt	Executive
L Vutula	Non-executive
B Mopangwana	Non-executive

8. Holding company

The majority shareholders of the company are TUHF21 NPC and National Housing Financing Corporation SOC Limited, who together hold 65,5% (2020: 65,5%) of the company's issued share capital.

Directors' Report

9. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the group are unlimited. However all borrowings by the group are subject to board approval as required by the board delegation of authority.

Debt capital (interest bearing debt/ interest bearing debt plus capital and reserves) of the group must be 90% or below. For the current year debt capital was 84% (2020: 86%).

The company's subsidiary TUHF Limited issued listed notes on the JSE Limited amounting to R 280 million in January 2017. TUHF Holdings Limited is the guarantor in this structure. The issued notes are secured by loan assets with a book value of R 330 million and an underlying collateral value of approximately R 625 million. The notes were re-issued for a further period in January 2020 with a maturing date of October 2024.

The pool covenants achieved on issue date and at year end:
- Loan to value ratio of 67.5%
- Concentration of top 5 assets < 35%
- Pool and group debt service coverage ratio 1.2 x

The covenants applicable to the company and group are as follows
- Debt service cover ratio 1.1 x – achieved 1.2 x actual
- Interest cover ratio 1.1 x – achieved 1.2 x actual
- Bad debts written off < 5% - achieved, nil
- Loans with arrears < 10% - not achieved (14.62% company : 10.24% group)
- Gearing < 90% - achieved 84%
- Risk Weighted Capital adequacy 15% - 20% - achieved 25%

Performance measures including a minimum Cost to Income Ratio and Return on Equity, were under pressure in the current operating environment but will be a focus of the group into 2022.

Following discussions with the Listed Note investor, an approval to delist the note has been received and has been submitted to STRATE and the JSE on 26 July 2021. The investor does not require a listed instrument and the Group has access to the capital markets through its securitisation programme. The DMTN Programme Memorandum allows for both listed and unlisted notes. The programme has been removed from the JSE in its entirely, and the JSE has confirmed that the debt listing requirements no longer apply to TUHF Limited or to TUHF Holdings Limited.

The investor has condoned the breach in covenants for the period 1 April 2020 to 31 March 2021. The breach in covenant relates to the loans with arrears ratio only which exceeded the covenant for the June and September 2020 quarter. For the quarter December 2020 and March 2021 the pool arrears ratio was achieved but the group ratio was not achieved.

The funder covenants for all bilateral funders and the Domestic Medium-Term Note Programme are under review. The loans with arrears covenant will be revised and replaced with a more appropriate covenant that will require funder consent and recontracting. The measures are subject to funder consent and are likely to include a revised capital adequacy ratio and a coverage ratio that considers collateral coverage and ECL. The focus on the quality of the book will continue and ongoing regular performance will be reported to funders.

The business has changed over the past three years with the role of TUHF Limited is evolving. TUHF Limited originates new loan assets, and a separate warehouse holds loan assets for securitisation. Management estimate that up to 70% of the group funding requirements will in future be sourced through the capital markets. A formal plan for proposed changes to the TUHF Limited balance sheet has been presented to the Board for approval in July 2021 and a consultation process with funders will follow. This may entail the establishment of a separate servicer entity.

A written condonation was obtained from all investors Ashburton Investment, Futuregrowth Asset Management, Cadiz Life, National Housing Finance Corporation SOC Limited (NHFC), NOVO Impact NPC, Public Investment Corporation (PIC), Mergence Investment Managers and Nedbank Limited SA for the condonation of the loans with arrears covenant being above covenant level for the duration of the financial year, April 2020 to 31 March 2021.
The investors ALCB Fund, Mergence Investment Managers, Development Bank of Southern Africa and Small Enterprise Finance Agency did not need to provide a condonation as the covenant does not apply to their facilities.

The group has three structured finance transactions, two of which are listed, being Urban Ubomi 1 (RF) Limited and TUHF Urban Finance (RF) Limited. No covenants were breached in the structured finance transactions.

Directors' Report

10. Special resolutions

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

11. Events after the reporting period

Subsequent to year end the directors of Silverkey Proprietary Limited entered into a sale agreement with City of Johannesburg Metropolitan Municipality for the sale of part of its property portfolio. The buildings being sold are known as Catham house and Karl House.

12. Auditors

Appointment and Independence of the external auditor

The Audit and Risk Committee recommended PWC Inc. to the shareholders for appointment as external auditor for the financial year ended 31 March 2021. However, the Committee reviewed this appointment in consideration of the tenure of the auditors and the early adoption of mandatory audit firm rotation. PWC had been auditors for the Group companies for 9 years and 2021 would have been their 10th year.

Following a tender process, the Committee recommended the appointment of Deloitte and Touché (Deloitte) to the Board and the Board agreed and resolved to appoint Deloitte as auditors for the financial year 2021.The Committee ensured that the appointment of Deloitte complied with all applicable legal and regulatory requirements for the appointment of an auditor. The committee undertook the relevant procedures to enable it to confirm that the auditor is accredited by the JSE and that the designated auditor, Stephen Munro is not on the JSE list of disqualified auditors.

The Committee approved Deloitte’s terms of engagement and the fees.

The Committee is satisfied with the quality, effectiveness, independence, and objectivity of Deloitte as the external auditors and Stephen Munro as the designated auditor.

At the forthcoming AGM to be held on 31 August 2021, the committee will propose Deloitte as the Group auditors and Stephen Munro as the designated auditor for the 2022 financial year. This appointment will comply with the Companies Act and the Debt Listing Requirements.

13. Funding

A revolving 3-year R 400 million warehouse funding facility from Futuregrowth Asset Management Proprietary Limited, acting as agent for various lenders, was approved to be used over three years. The facility is currently in its third year and R 350 million of the facility was repaid in the first quarter of 2020, but the repayment of the remaining R 50 million has been extended to March 2021.

The warehouse facility was used to originate assets for the listed Domestic Medium Note Program. The R 280 million Domestic Medium-Term Note program matured in January 2020 and was extended to October 2024. The note was delisted.

A securitisation funding structure raising R 500 million was implemented in December 2018. A further tap assistance of R150 million was raised in October 2019. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. The issuer, TUHF Urban Finance (RF) Limited is a bankruptcy remote company, independently owned by the TUHF Urban Finance Owner Trust.

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million in funding through the capital markets. This raised over R 100 million in funding for the company and enabled the balance of the proceeds of R 509 million to be applied to the revolving facility with Standard Bank. This complied with the requirements of the facility to allow for the facility availability period to be extended for a further 12 months, with the total facility at R 700 million. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. The issuer, Urban Ubomi 1 (RF) Limited is a bankruptcy remote company, independently owned by the Urban Ubomi 1 Issuer Owner Trust.

Directors' Report

A senior revolving facility for R 700 million was put in place with Standard Bank of South Africa Limited in January 2020 in a bankruptcy remote company which uses the funding to acquire assets from TUHF Limited. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. Vuselela Warehouse SPV (RF) Proprietary Limited is a bankruptcy remote company, independently owned by the Vuselela Warehouse Owner Trust. At the end of March 2021, R 509 million of the facility was repaid enabling the facility to remain active. The facility remains active and at year end R 387 million was committed under the Bank Warehouse.

TUHF Limited has successfully negotiated a R 200 million 10-year term facility with Eskom Pension and Provident Fund. The facility commercial terms have been negotiated, the agreements have been signed and a drawdown of R200 million was done in July 2021.

The liquidity mismatch pertaining to the period up to five years after reporting date will be managed by refinancing interest bearing liabilities. Refer to note 8 for the maturity analysis relating to advances. Refer to the liquidity risk note for the calculation of the liquidity mismatch.

14. Secretary

The company secretary is Kilgetty Statutory Services Proprietary Limited.

15. Management agreement

In September 2009 the Company entered into a management agreement with TUHF Limited in terms of which TUHF Limited will provide management and administrative services necessary, incidental and ancillary to satisfy the ongoing commercially reasonable requirements for the Company including but not limited to secretarial services, accounting services, banking services, administrative services, corporate governance services, social and ethic management, strategy planning and reporting services and statutory reporting services.

The Board agrees to delegate the corporate governance functions, decisions and applications to the board of TUHF Limited. The directors of TUHF Limited will however be subject to instructions from the this board, to the Company's Memorandums of Incorporation and be required to safeguard, at all times, the interests of the Company when implementing the obligations and duties set out in the management agreement.

The board of TUHF Limited will therefore respect the fiduciary duties of this board.

The implementation and adoption of policies, processes and procedures of TUHF Limited will be considered and approved by this board as a signatory to the management agreement.

A formally documented and approved Board Charter outlines the scope of authority, responsibilities, powers and functioning of the TUHF Limited board. This charter is reviewed on an annual basis to ensure that it remains relevant and in line with governance best practice.

16. Going concern

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

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INDEPENDENT AUDITOR'S REPORT
To the Shareholder of TUHF Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of TUHF Holdings Limited (the Group and Company) set out on pages 19 to 82, which comprise the consolidated and separate statement of financial position as at 31 March 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of TUHF Holdings Limited and its subsidiaries as at 31 March 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

Expected Credit Losses on loans and advances

Key Audit Matter

IFRS 9: Financial Instruments requires the recognition of expected credit losses ("ECL") on all financial assets within the scope of its impairment model. The ECL on loans and advances, has been identified as a Key Audit Matter ("KAM") due to the magnitude of the loans and advances and the inherent uncertainty and level of significant judgement applied by management in determining the ECL.

The estimation of credit losses is inherently uncertain and the subject of significant judgment by management. Models used to determine the credit provisions can be complex, and inputs used may not be fully observable.

The key areas of significant judgement applied by management in the ECL calculations include the following:

- The evaluation of significant increase in credit risk ("SICR") and the resultant staging of the loans as stage 1, 2 or 3 in accordance with the requirements of IFRS 9;
- Incorporating macro-economic inputs and forward-looking information into the assessment and ECL measurement;
- Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement; and
- The valuation of collateral.

How the matter was addressed in the audit

To address the KAM we completed the following audit procedures:

- We identified, obtained an understanding of, and tested the design and implementation of relevant controls relating to the approval of the credit facilities, the governance processes in place around credit models, inputs and the collateral valuations; the credit forums where key judgements are considered, reviewed, challenged and approved and governance processes over out-of-model adjustments.

- In the evaluation of SICR and the resultant classification of the loans as stage 1, 2 or 3 in accordance with the requirements of IFRS 9:
    a) We selected a sample of exposures and assessed whether the stage classification of these exposures is appropriate in terms of the requirements of IFRS 9.
    b) We inspected the minutes of the arrears and problematic project committee to assess the classification of those clients that have been identified as being in arrears and being problematic and whether management's classification of these loans as a result of identified SICR is appropriate.
    c) We assessed the items that were included in the watchlist, held discussion with management to understand the reasons for the clients being placed on the watchlist and assessed whether those clients were adequately identified as presenting a possible SICR trigger and therefore being adequately classified as stage 2 in terms of the requirements of IFRS 9.

- In the evaluation of the input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") and the Incorporation of macro-economic inputs and forward-looking information into the assessment and ECL measurement, we included the involvement of our specialists in quantitative and credit modelling skills in performing the following procedures:

Key Audit Matter	How the matter was addressed in the audit
	a) Assessment of methodologies for compliance with IFRS 9 and testing of assumptions in response to the relevant risks of material misstatement identified; b) Reperformance of management's calculation of model parameters (i.e. PD, LGD, and EAD); c) Reperformance of management's calculation of the ECL allowance as at 31 March 2021; d) Assessing how management have taken the macro economic factors and forward-looking information, considering market related data, including the impact of COVID 19, into account in the determination of the ECL; and e) Assessing, in conjunction with the audit team, the completeness and accuracy of data used in the model. • For a sample of properties held as collateral, we performed the following procedures to test the fair value of the collateral: a) Where external valuators were used, we assessed the competence, capabilities and the objectivity of the externally appointed valuation expert by assessing their accreditation and relevant experience; b) We benchmarked the capitalisation rates used to value the collateral against market related data; and c) We assessed the reasonability of the haircuts applied to the valuation of the property. • We assessed the adequacy of the disclosures in the consolidated and separate financial statements in accordance with IFRS 9.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2020.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “TUHF Holdings Limited Annual Financial Statements for the year ended 31 March 2021” which includes the Audit and Risk Committee Report, Directors’ Responsibilities and Approvals, Company Secretary’s Certification and the Directors’ Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor’s reports thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of TUHF Holdings Limited for 1 year.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

04 October 2021

Statements of Financial Position as at 31 March 2021

		Group		Company	
Figures in Rand	Note(s)	2021	2020	2021	2020
Assets					
Cash and cash equivalents	6	103 669 397	92 701 693	1 223	2 645
Money market assets	7	10 845 191	3 627 720	-	-
Current tax receivable		8 813 179	10 839 380	-	1 470 694
Loans and advances	8	3 552 569 134	3 544 254 413	-	-
Other assets	9	30 808 130	3 632 793	313	312
Properties in possession	10	11 400 000	11 400 000	-	-
Investment property	11	297 623 481	-	-	-
Loans to group companies and related parties	12	6 274 596	46 359 810	215 688 709	145 583 400
Investments in subsidiaries	13	-	-	26 380 102	26 380 102
Investments in joint ventures	15	3 684 430	4 699 154	-	-
Unlisted investments	16	24 967 606	24 573 001	-	-
Equipment	17	1 857 705	1 928 347	-	-
Right-of-use assets	18	14 623 490	8 258 342	-	-
Intangible assets	19	5 104 458	4 785 034	-	-
Deferred tax	20	28 148 784	27 275 188	2 007 391	2 885 128
Total assets		**4 100 389 581**	**3 784 334 875**	**244 077 738**	**176 322 281**
Equity and Liabilities					
Equity					
Share capital	21	126 698 041	126 697 941	134 087 224	134 087 224
Non-distributable reserves	22	157 499 759	157 499 759	-	-
Share based payment reserve	26	12 515 957	6 997 098	-	-
Retained income		225 151 599	185 550 696	15 227 710	5 530 070
		521 865 356	**476 745 494**	**149 314 934**	**139 617 294**
Liabilities					
Lease liabilities	18	16 045 530	9 227 648	-	-
Loans from group companies	23	14 464 591	15 534 910	102	102
Trade and other payables	24	42 842 432	9 923 544	81	-
Financial liabilities	25	3 494 178 956	3 264 135 401	94 548 090	36 704 797
Current tax payable		2 195 873	-	214 443	-
Deferred tax	20	8 796 843	8 767 878	88	88
		3 578 524 225	**3 307 589 381**	**94 762 804**	**36 704 987**
Total Equity and Liabilities		**4 100 389 581**	**3 784 334 875**	**244 077 738**	**176 322 281**

TUHF Holdings Limited

(Registration number 2007/024010/06)
Annual Financial Statements for the year ended 31 March 2021

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand	Note(s)	2021	2020	2021	2020
Interest income	27	371 021 622	471 471 132	17 781 689	20 514 579
Interest expenses	28	(242 615 179)	(298 918 121)	(8 831 323)	(8 844 668)
Expected credit losses	29	11 089 663	(42 621 409)	5 225 145	(17 173 381)
Gains (losses) arising from derecognised financial assets measured at amortised cost		-	(12 740 112)	-	-
Income from lending activities		**139 496 106**	**117 191 490**	**14 175 511**	**(5 503 470)**
Other operating income	30	6 678 716	8 707 623	-	166 556
Other operating gains (losses)	31	20 401 914	802 888	-	-
Other operating expenses	32	(120 054 112)	(118 411 579)	(2 309)	(2 652)
Operating profit (loss)		**46 522 624**	**8 290 422**	**14 173 202**	**(5 339 566)**
Investment income	34	1 762 044	5 977 446	-	-
Profit (loss) before taxation		**48 284 668**	**14 267 868**	**14 173 202**	**(5 339 566)**
Taxation	35	(8 683 765)	(3 235 242)	(4 475 562)	834 519
Total comprehensive income (loss) for the year		**39 600 903**	**11 032 626**	**9 697 640**	**(4 505 047)**

TUHF Holdings Limited
(Registration number 2007/024010/06)
Annual Financial Statements for the year ended 31 March 2021

Statements of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Share based payment reserve	Non-distributable reserve	Total reserves	Retained income	Total equity
Group								
Balance at 01 April 2019	**108 168 906**	**18 739 068**	**126 907 974**	**-**	**157 499 759**	**157 499 759**	**174 518 070**	**458 925 803**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**11 032 626**	**11 032 626**
Issue of shares	200	-	200	-	-	-	-	200
Purchase of treasury shares	(210 233)	-	(210 233)	-	-	-	-	(210 233)
Equity-settled share-based payment transactions	-	-	-	6 997 098	-	6 997 098	-	6 997 098
Total contributions by and distributions to owners of company recognised directly in equity	**(210 033)**	**-**	**(210 033)**	**6 997 098**	**-**	**6 997 098**	**-**	**6 787 065**
Balance at 01 April 2020	**107 958 873**	**18 739 068**	**126 697 941**	**6 997 098**	**157 499 759**	**164 496 857**	**185 550 696**	**476 745 494**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**39 600 903**	**39 600 903**
Issue of shares	100	-	100	-	-	-	-	100
Equity-settled share-based payment transactions	-	-	-	5 518 859	-	5 518 859	-	5 518 859
Total contributions by and distributions to owners of company recognised directly in equity	**100**	**-**	**100**	**5 518 859**	**-**	**5 518 859**	**-**	**5 518 959**
Balance at 31 March 2021	**107 958 973**	**18 739 068**	**126 698 041**	**12 515 957**	**157 499 759**	**170 015 716**	**225 151 599**	**521 865 356**
Note(s)	21	21	21		22			

Statements of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Share based payment reserve	Non-distributable reserve	Total reserves	Retained income	Total equity
Company								
Balance at 01 April 2019	**115 348 156**	**18 739 068**	**134 087 224**	**-**	**-**	**-**	**10 035 117**	**144 122 341**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(4 505 047)**	**(4 505 047)**
Balance at 01 April 2020	**115 348 156**	**18 739 068**	**134 087 224**	**-**	**-**	**-**	**5 530 070**	**139 617 294**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**9 697 640**	**9 697 640**
Balance at 31 March 2021	**115 348 156**	**18 739 068**	**134 087 224**	**-**	**-**	**-**	**15 227 710**	**149 314 934**
Note(s)	21	21	21		22			

Statements of Cash Flows

Figures in Rand	Note(s)	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from operating activities					
Interest income		316 724 287	424 304 286	7	188
Rental income		1 273 390	1 363 736	-	-
Early repayment penalty		-	1 814 085	-	-
Interest expenses		(236 341 911)	(310 282 062)	(2 316 132)	(2 542 267)
Tax paid		(7 983 371)	(13 820 455)	(1 886 419)	(3 592 022)
Cash paid to suppliers and employees		(85 880 363)	(101 694 584)	(2 307)	(15 666)
Management fees		1 817 705	1 171 020	-	-
Cash received from clients		-	288 182	-	-
Dividend paid		-	(15 433 444)	-	(15 433 444)
Net movement in advances		(167 640 818)	(190 665 372)	-	-
Tax fund received		46 645	-	-	-
Net cash from operating activities		**(177 984 436)**	**(202 954 608)**	**(4 204 851)**	**(21 583 211)**
Cash flows from investing activities					
Purchase of equipment	17	(878 933)	(948 074)	-	-
Proceeds from disposal of equipment	17	20 845	1 739	-	-
Purchase of other intangible assets	19	(2 538 539)	(1 521 299)	-	-
TUHF equity shareholders loans granted		-	(10 174 299)	-	-
Dividends received		285 250	616 336	-	15 000 000
Net cash from investing activities		**(3 111 377)**	**(12 025 597)**	**-**	**15 000 000**
Cash flows from financing activities					
Shareholder loan received		55 188 639	-	55 188 639	-
Payments to employees for Treasury shares purchased by TUHF Limited		-	210 233	-	-
Principal lease payments		(4 497 243)	(4 177 172)	-	-
Amounts paid to related parties		(2 973 878)	(15 240 265)	(58 211 068)	(10 648 814)
Amounts received from related parties		1 199 805	9 672 801	7 225 858	17 188 461
Proceeds from financial liabilities		487 000 000	1 017 000 000	-	-
Repayments of financial liabilities		(945 636 335)	(973 892 052)	-	-
Proceeds from notes issue		609 000 000	152 657 315	-	-
Net cash from financing activities		199 280 988	**185 810 394**	**4 203 429**	**6 539 647**
Total cash movement for the year		**18 185 175**	**(29 169 811)**	**(1 422)**	**(43 564)**
Cash at the beginning of the year		96 329 413	125 499 224	2 645	46 209
Total cash at end of the year	6	**114 514 588**	**96 329 413**	**1 223**	**2 645**

Accounting Policies

Corporate information

TUHF Holdings Limited is a public company incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on Tuesday, 31 August 2021.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power to direct the activities of the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

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

1.3 Investments in joint ventures

Joint ventures are initially measured at cost and subsequently accounted for using the equity method at an amount that reflects the group’s share of the net assets of the joint venture (including goodwill). Equity accounting is applied from the date on which the entity becomes a joint venture up to the date on which the group ceases to have significant influence or joint control. Equity accounting of losses is restricted to the interests in these entities, including unsecured receivables or other commitments, unless the group has an obligation or has made payments on behalf of the associate or joint ventures. Where there is an indicator of impairment the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount. Impairment losses are recognised through non-trading and capital related items.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4.1 The impact of Covid-19 on IFRS 9 ECL

The disruption of normal economic activity as a result of Covid-19 has in many instances resulted in an increase in credit risk for many of TUHF Limited’s clients. The group based their ECL estimates on the best available information about past events, current conditions and forecasts of economic conditions. In assessing forecast conditions, consideration has been given both to the effects of Covid-19 and the significant government support measures being undertaken. As a result of the significant uncertainty, it is difficult to incorporate the specific effects of Covid-19 and government support measures on a reasonable and supportable basis. However, changes in economic conditions have been reflected in macroeconomic scenarios applied and their weightings. The company has taken steps to determine the impact of Covid-19 on all its clients. Where a client’s business has been impacted this information was taken into account in determining the expected credit losses.

Another area of significant judgement relates to the migration of accounts between the IFRS 9 staging buckets. Any relief that is granted by the Group to selected clients in the form of short-term payment holidays was assessed in conjunction with other factors prior to determining whether accounts to which such relief is provided move either to stage 2 or stage 3.

All reasonable and supportable information that was available to make a distinction between those accounts where the credit risk has increased significantly and those accounts where credit risk has not increased significantly has been carefully considered. If an account was up to date prior to the relief measure and the account is expected to remain in up-to-date status once the relief period ends, all other factors remaining constant, management assumed that no significant increase in credit risk has occurred and the account has not been moved to stage 2. If however, there are adverse changes in other circumstances which are not expected to be temporary in nature over and above the relief provided (e.g. a mortgage debtor is retrenched or an the client enters business rescue or suffers losses that put into question its ability to repay the outstanding balance), it can be reasonably concluded that a significant increase in credit risk has occurred, warranting the migration of the account into stage 2 or stage 3.

Sensitivity analysis applicable to 2020

Due to the uncertainty regarding the impact of covid on the cashflows and expected credit losses, the stresses applied to the model took into account the overall economic impact and likely decline of South Africa’s gross domestic product and the impact on the probability of default (PD).

Loans were separated into different group reflecting common default characteristics. Loans falling into each of these groups are assigned separate probabilities of default and the exposure weighted average 12-month PD across the book reflects the following trend. The PDs were stressed 3-fold.

The loss given default information is conservative at 55% and was left unchanged. The loans are secured and the recovery of the collateral, form part of the model assessment and assumptions. In the model a 50% haircut is applied to reduce values, increasing the required provisions. The model considers economic variables such as property prices and interest rates. The decline in interest rates was ignored for the purpose of the provision. Usually such a decrease would improve consumer credit and the ability of customers to repay their debt but given the other factors such as the economic shutdown and job losses this was ignored Property values usually would be considered and a growth factor would be applied to the collateral. For 2020 this was not done given the uncertainty in the market. Instead, a 5% decline in property values was considered for the next 12-months and thereafter a 2% increase was applied for 12 months and a 3% factor thereafter.

Scenario	Probability	2020
Upside	20%	-10,2%
Base	50%	-11,7%
Downturn	30%	-13,2%

1.4 Significant judgements and sources of estimation uncertainty (continued)

Sensitivity analysis applicable to 2021

Throughout the 2021 year some of the uncertainty regarding the impact of covid could be seen and resulted in the actual direct impact of increasing arrears and a general decrease in collections for a period. Stability was achieved within a short period of time, of six months and consequently the per project assessment of risk could be conducted through the problematic project meeting process.

The additional stresses on the PDs were not done in the current year as this was already in the data but an approach to consider additional risk through the watchlist process was deemed appropriate. The project and risk screening approach ensured that the risk of default on loans with no arrears were evaluated and a quantitative assessment of the significant increase in credit risk was applied to the ECL through an overlay. No additional stresses to the PD's were applied.

The loss given default information is conservative at 55% and was left unchanged. The loans are secured and the recovery of the collateral, form part of the model assessment and assumptions. In the model a 50% haircut is applied to reduce values, increasing the required provisions. The model considers economic variables such as property prices and interest rates. The decline in interest rates was again ignored for the purpose of the provision to remain conservative. Usually such a decrease would improve consumer credit and the ability of customers to repay their debt but given the other factors such as the economic shutdown and job losses this was ignored. Property values usually would be considered, and a growth factor would be applied to the collateral. For 2020 this was not done given the uncertainty in the market. Instead, a 5% decline in property values was considered for the next 12 months and thereafter a 2% increase was applied for 12 months and a 3% factor thereafter.

PD Adjustment Factors

	2021	**2022**	**2023**	**2024**
1 - Downturn	110%	110%	110%	110%
2 - Base case	100%	100%	100%	100%
3 - Upturn	90%	90%	90%	90%

1.4.2 Expected credit losses (ECL's) on loans and advances

In respect of the ECL's for loans and advances in the non-performing category we reported ECL's of R108 035 856 (2020:R76 599 752).

In respect of the ECL's for loans and advances in the performing category we reported ECL's of R22 633 288 (2020:R45 587 643).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R130 669 144 (2020:R122 187 395).

In respect of the ECL's for loans and advances, the weighted average of the downturn, base case and upturn scenario is as follows.

	2021	**2020**
Downturn	R155 496 279	R122 602 848
Base case	R130 669 144	R122 187 395
Upturn	R122 828 994	R121 781 828

1.4.3 Expected credit losses (ECL's) on loans to group companies

TUHF Holdings Limited Group

In respect of the ECL's for loans to group companies in the non-performing category we reported ECL's of R- (2020:R600 169).

In respect of the ECL's for loans to group companies in the performing category we reported ECL's of R441 319 (2020:R154 620).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R441 319 (2020:R754 789).

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

In respect of the ECL's for loans to group companies, the weighted average of the downturn, base case and upturn scenario is as follows.

	2021	2020
Downturn	R525 169	R981 225
Base case	R441 319	R754 789
Upturn	R414 840	R603 831

TUHF Holdings Limited Company

In respect of the ECL's for loans to group companies in the non-performing category we reported ECL's of R- (2020:R-).

In respect of the ECL's for loans to group companies in the performing category we reported ECL's of R11 948 235 (2020:R17 173 381).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R11 948 235 (2020:R17 173 381).

In respect of the ECL's for loans to group companies, the weighted average of the downturn, base case and upturn scenario is as follows.

	2021	2020
Downturn	R14 274 747	R21 454 292
Base case	R11 948 235	R17 173 381
Upturn	R11 172 127	R15 270 736

1.4.4 Expected credit losses (ECL's) on loans to related parties

TUHF Holdings Limited Group

In respect of the ECL's for loans to related parties in the non-performing category we reported ECL's of R4 067 067 (2020 :R189 777).

In respect of the ECL's for loans to related parties in the performing category we reported ECL's of R- (2020: R54 336).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R4 067 067 (2020: R244 113).

In respect of the ECL's loans to related parties, the weighted average of the downturn, base case and upturn scenario is as follows.

	2021	2020
Downturn	R4 839 810	R317 347
Base case	R4 067 067	R244 113
Upturn	R3 823 043	R195 290

1.5 Properties in possession

Properties in possession are properties acquired by the group which were previously held as collateral for underlying lending arrangements that, subsequent to origination, have defaulted. The properties are initially recognised at cost and are subsequently measured at the lower of cost and its net realisable value. Any subsequent write-down in the value of the acquired properties is recognised as an operating expense. Any subsequent increases in the net realisable value, to the extent that it does not exceed its original cost, are also recognised within operating expenses.

Accounting Policies

1.6 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit and loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

The fair value is determined annually by an external valuator derived from current market prices of comparable real estate.

1.7 Equipment

Equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office furniture and equipment	Straight line	20% - 33.33% per annum
Computer hardware and telephones	Straight line	25% per annum

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

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

Accounting Policies

1.8 Intangible assets

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

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Amortisation is provided to write down the intangible assets, on a straight line basis as follows:

Item	**Useful life**
Computer software	20% per annum

1.9 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

IFRS 9 introduces requirements for the classification and measurement of financial assets and liabilities as well as accounting requirements for impairment of financial assets measured at amortised cost.

Classification and subsequent measurement of debt instruments depends on:

- the entity's business model for managing the asset; and

- the cash flow characteristics of the asset.

Based on these factors, the entity classifies its debt instruments into one of the following three measurement categories:
- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or
- Fair value through profit or loss. This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income.

1.9 Financial instruments (continued)

Loans to/(from) group companies and related parties, loans to managers and employees, and loans and advances are subsequently classified at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Application of the effective interest rate method

Interest income is calculated using the effective interest method, and is included in profit or loss in interest income (note 27&34).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.
- Raising fees that are integral to the to the effective interest rate are capitalised to the value of the loan and are amortised to profit or loss and other comprehensive income over the expected life of the loan using the effective interest rate method.
- Other fees earned, such as penalty fees on late payment of instalments and early settlement penalty amounts, accrue to the company.

Impairment

IFRS 9 Three Stage Model

	Staging	**ECL - Measurement**
Stage 1	Loans and advances that are not credit impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the company.	Loans and advances in Stage 1 have their ECL measured based on an amount equal to the portion of 12 months expected credit losses that result from default events possible within the next 12 months.
Stage 2	If a significant increase in credit risk ('SICR') since initial recognition is identified, the loans and advances are moved to "Stage 2" but are not yet deemed to be credit-impaired.	Loans in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
Stage 3	If the loan is in default, the financial instrument is then moved to "Stage 3".	
Forward looking information	A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.	
Significant increase in credit risk	SICR- is determined through a watchlist process whereby financial and project performance of the counterparties is discussed. In addition, the status of the construction of ongoing projects is taken into account as well as other ad hoc indicators.	

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition and is summarised as follows:

- A financial instrument that is not credit impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the company.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instruments is moved to "Stage 2" but is not yet deemed to be credit-impaired.

1.9 Financial instruments (continued)

- If the financial instrument is in default, the financial instrument is then moved to "Stage 3".
- Financial Instruments in Stage 1 have their ECL measured based on an amount equal to the portion of 12 months expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD), or over the remaining lifetime (lifetime PD) of the obligation.
- EAD is based on the amounts the company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (lifetime EAD).
- LGD represents the company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure.

These three components are multiplied together and adjusted for the likelihood of survival, (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates the ECL for each future month, which is then discounted back to the reporting date and summed.

The discount rate used in the ECL calculation is the original effective interest rate.

The Lifetime PD is developed by applying a maturing profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and Lifetime EADs are determined based on the expected payment profile. For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month of lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

These assumptions vary by product type and current limit utilisation band, based on an analysis of the company's recent default data.

The 12-month and Lifetime LGDs are determined based on the factors which impact the recoveries made post default and this is based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs incurred.

Forward-looking economic information such as the gross domestic product (GDP) are included in determining the 12-month and Lifetime PD, EAD and LGD. Forward- looking economic information such as property prices are included in the determining of the 12-month LGD.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how the collateral values change etc. - are monitored and reviewed on an annual basis.

1.9 Financial instruments (continued)

Definitions

SICR:

- Qualitative criteria: SICR is primarily determined through the watchlist process whereby the financial performance of the counterparties are discussed. In addition, the status of the construction of ongoing projects is taken into account and as well as qualitative factors such as financial distress, significant change in collateral value or significant adverse changes in business, financial or economic status.
- A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.
- The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 March 2021.
- The assessment of SICR incorporates forward looking information (see below) and is performed annually for all loans.

DEFAULT:

The definition of default, which triggers the credit impaired classification (stage 3), is based on the group's internal credit risk management approach and definitions and occurs at the earlier of:

1. In the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
2. When the counterparty is past due for more than 90 days. The Group has not rebutted IFRS 9's 90 days past due rebuttable presumption.

WRITE-OFF POLICY:

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- at the point of write-off, the financial asset is fully impaired (i.e. 100% allowance) with no reasonable expectations of recovery of the asset, or a portion thereof. As an exception to the above requirements, where the exposure is secured (or for collateralised structures), the impaired loan can only be written off once the collateral has been realised. Post realisation of the collateral, at the point of write-off any excess amounts to be written off will be recognised in the income statement under Gains (losses) of derecognised financial assets.

CURING:

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist.

Qualitative factors include compliance with covenants and compliance with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for SICR, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

When it has been determined that the financial asset no longer meets the classification for stage 3 and all arrears are current, the financial asset will move from stage 3 to stage 2 or stage 1.

Loans to (from) group companies

These loans are recognised initially at fair value plus direct transaction costs. Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

1.9 Financial instruments (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired or incurred in the ordinary course of business from suppliers and service providers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

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

Cash and cash equivalents and money market assets

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in changing value. Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost.

Money market assets are cash held in trust and disclosed separately.

Cash held in trust are funds deposited into the Group’s attorneys’ trust account to facilitate the issue of purchase guarantees and payment of the purchase price to the property seller of the bond and transfer registration. Cash and cash equivalents held in trust are initially measured at fair value and subsequently measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents include money market assets as these are short term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents and money market assets are regarded as having a low probability of default and therefore the related expected credit loss is not significant.

Mortgage-backed securities

Variable-rate notes are classified as financial liabilities and measured at amortised cost.

Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

1.9 Financial instruments (continued)

Accounting for Derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The accounting for derivatives strategy will require the group to reduce any basis risk exposure on interest rate risk. The group loans and advances earn interest on the basis of the prevailing prime interest rate.

The group funds itself in the capital markets by means of structured finance notes subject to the 3-month Jibar rate. This creates mismatch between assets and liabilities priced according to different benchmark rates. Accordingly, an interest rate swap has been entered into with Standard Bank to swap the underlying principal asset cashflows with the 3-month Jibar rate.

The reasoning behind the accounting for derivatives correlates strongly to the underlying rating action taken by the rating agency. The structure risk would have been higher had the prime/Jibar swap not been concluded.

Derivatives held by the group which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps.

A swap between the TUHF Limited and Urban Ubomi 1 (RF) Limited ensures that the structure pricing benefit is retained and that the overall group risk objective is achieved ensuring that the overall derivative impact is neutral.

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss. The fair value of the swaps are measured on a monthly basis applying the mark to market method.

Fair value gains or losses are included in other operating gains (losses) (note 27). Details of the valuation policies and processes are presented in note 27.

Accounting Policies

1.10 Expected credit losses on loans to group companies and related parties

This relates to the intercompany expected credit losses raised on the loans granted between companies in the group. Interest is charged at the contracted interest rate that is applicable to the relevant agreement.

The methods for calculating Expected Credit Losses for each financial asset type depends on the underlying collateral. Sometimes several techniques and models may be used within a single asset class. Calculation methods and models may differ from company to company based on the types of assets in each category.

Staging

The ECL's applied is measured on an amount equal to the portion of 12 month ECL that result from default events possible within 12 months.

Where there has been a significant increase in credit risk, a loan is regarded as being in Stage 2 and a lifetime ECL is applied.

If a loan is credit impaired, it is regarded as being Stage 3 and a lifetime ECL is applied. No interest should be accrued on the loan.

Loans repayable on demand

Where a loan is repayable on demand, an assessment is made of the debtor's ability to repay if demand for immediate repayment was made. It is assumed that the risk is negligible and an appropriate ECL was raised. If, however, there are insufficient cash resources, the term of a loan is estimated by assessing how long it will take to repay in the normal course of busines with reference to the cash flow of the debtor entity. The cash flow is estimated using the most recent financial year's financial statements or budgeted forecasts. Management used a Debt Service Cover ratio calculation to estimate the available cash flow and assume that this can be used to repay the loan. Where the cash flow is negative or very low, management assume a repayment period based on management's strategic plans for the business to generate sufficient cash flows to repay the loans, which is typically 2 years.

Loans with no fixed terms of repayment

Loans with no fixed terms of repayment have been treated as repayable on demand regardless of the stated intention of management regarding repayment of the loan.

1.11 Taxation

Current tax assets and liabilities

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

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

Accounting Policies

1.11 Taxation (continued)

Deferred tax assets and liabilities

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

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

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

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

In order to comply with the requirements of IAS 1, management has corrected the presentation of the deferred tax liability to move it to the least liquid item on the statement of financial position.

Tax expenses

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

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

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

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

1.12 Leases (IFRS 16)

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

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

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Accounting Policies

1.12 Leases (IFRS 16) (continued)

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

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

Details of leasing arrangements where the group is a lessee are presented in note 18 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The incremental borrowing rates was determined based on a rate that the group can borrow fund for a similar amount to the lease payments.

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 32).

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

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The group considers historical lease durations, cost and business disruption to relocate business premises to assess if the lease term is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the group. IFRS 16 introduced additional guidance in determining reasonable certainty when assessing lease terms.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use assets is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term. Depreciation starts at the commencement date of a lease and is recognised in profit or loss.

Statement of cash flows

The group has classified:
- Cash payments for the principal portion of lease payments as financing activities;
- Cash payments for the interest portion as operating activities; and
- Short-term lease payments and variable lease payments not included in the measurement of the lease liability within operating activities.

Accounting Policies

1.13 Impairment of assets (non-financial)

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

Irrespective of whether there is any indication of impairment, the group also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.14 Share capital and equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

1.15 Non-distributable reserve

The group receives grant funds for the exclusive purpose of lending to its customers as per an agreement with National Treasury. These funds are combined with senior debt raised in the capital markets in a funding structure and represent equity in the funding structure. These funds are not repayable and meet the definition of equity per IAS 32. The funds must be accounted for and TUHF Limited is required to report on the development impact measures such as job creation and entrepreneur training. The funds can only be lent to customers for inner city renewal projects and the funds are not distributable as dividends and therefore have been classified as a non-distributable reserve.

1.16 Share based payments (IFRS 2)

TUHF Holdings Limited operates a conditional share plan, under which TUHF Limited receives services from employees as consideration for equity instruments of 1 997 621. The fair value of the employee services received in exchange for the grant of the shares at grant date is recognised as an expense in TUHF Holdings Limited.

The total amount to be expensed with a corresponding increase in equity is determined by reference to the fair value of the shares granted.

1.16 Share based payments (IFRS 2) (continued)

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the company revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the share awards are to be vested, TUHF Holdings Limited, issues new shares. The shares are purchased from TUHF Holdings Limited at the ruling net asset value through intercompany loan account and granted to the employees for no consideration. The actual consideration is compared to the amount provided over the vesting period and any adjustment is made where appropriate. This is recorded in the investment in holding company account.

Where the conditional share plan share award requires equity to be issued the impact is disclosed in share based payment reserve.

1.17 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), are recognised in the period in which the employee renders the related service.

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

The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Defined contribution plans

A defined contribution plan is a retirement plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.18 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

Revenue comprises interest income and non-interest income.

Interest income

Interest income and expenses are recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset of financial liability. When calculating the effective interest rate, the group estimates cash flows considering all contractual terms of the financial instrument (e.g. prepayment options) but does not consider future credit losses.

Rental income

Rental income is recognised equally over the period of the lease taking into consideration the clauses affecting the rental charge.

Management fee income

Management fee income earned from the provision of management services is recognised in the accounting period in which the services are rendered, with reference to the stage of completion of the service.

Bad debts recovered

Recoveries of financial assets previously written-off are recognised as bad debts recovered which is shown as a deduction from expected credit losses expense.

Sundry income

Sundry income includes penalty income on outstanding instalment and early repayment settlement fee.

Dividends received

Dividends income includes dividends paid from unlisted investments and by group companies. Dividends are recognised when the entity’s right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably.

Fair value gains

Fair value gains includes gains on the revaluation of buildings and it is accounted for in other operating gains (losses).

Impairment of goodwill

Impairment of goodwill is recognised when goodwill's carrying value on financial statements exceeds its fair value and it is accounted for in other operating gains (losses).

Bargain purchase

Bargain purchase is recognised during business combination when the assets are acquired at an amount that is less than their fair market value.

Accounting Policies

1.19 Unlisted investments

Unlisted investments comprise the equity investment in associated organisations held to earn dividend income and/or for capital appreciation. Unlisted investments are carried at the fair values are determined by reference to the net asset values of the respective entities.

Changes in the fair value of investments are recognised in the statement of comprehensive incomes as investment surpluses.

1.20 Segmental reporting

The executive committee headed by the CEO, has been identified by the group as the chief operating decision maker who is responsible for assessing the performance and allocation of resources of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The identification of reportable segments are determined based on a consideration of products and services, organisational structures, geographical areas, economic and regulatory environments and the separable nature of activities or conversely inherent inter-connectedness and whether these meet the criteria for aggregation.

The revenue from one single customer does not exceed 10% of the group's revenues in 2021 and in 2020. The business sells a single product, 15 year mortgage loan facility. Management assesses information relating to the performance of the single segment on multiple levels and from multiple perspectives. All elements are regarded as inter-connected and as such, no part of the business is regarded as separable from the rest.

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2021 annual financial statements.

The impact of the amendment is not material.

Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2021 annual financial statements.

The impact of the amendment is not material.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2021 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2099	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	01 January 2021	Unlikely there will be a material impact
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020	Unlikely there will be a material impact

3. Risk management

Capital risk management

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

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

Capital Management forms part of the responsibilities group’s Assets and Liabilities Committee (ALCO), a subcommittee of the board. The group monitors capital with reference to the board approved maximum gearing ratio together with a minimum debt service cover ratio. The principal governance documents are the ALCO policy framework guidelines and terms of reference document and the risk management framework.

The group's contractual debt to capital ratio must not exceed 90% but strives to keep debt within a maximum target level of 88.5%. The debt service cover ratio is defined as net operating income divided by total debt service and the group and company's minimum debt service cover ratio is 1:1 times. The group remained complaint with the debt to capital ratio and debt service ratio targets throughout the 2020-2021 financial year.

Capital as defined in the relevant agreements with shareholders is included in the calculation and differ to the IFRS definition of capital. Total capital is calculated as equity shown in the statement of financial position together with any subordinated shareholders loans and other Tier II Capital.

TUHF Limited has issued listed notes on the JSE Limited amounting to R280 million in 2017. The notes are secured by loan assets with a book value of R330 million issued by TUHF Limited. The collateral value of the loans assets is approximately R625 million.

The warehouse facility was used to originate assets for the listed Domestic Medium Note Program. The R 280 million Domestic Medium-Term Note program matured in January 2020 and was extended to October 2024. The note was delisted.

Notes to the Financial Statements

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million in funding through the capital markets. This raised over R 100 million in funding for the company and enabled the balance of the proceeds of R 509 million to be applied to the revolving facility with Standard Bank. This complied with the requirements of the facility to allow for the facility availability period to be extended for a further 12 months, with the total facility at R 700 million.

A senior revolving facility for R 700 million was put in place with Standard Bank of South Africa Limited in January 2020 in a bankruptcy remote company which uses the funding to acquire assets from TUHF Limited. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. Vuselela Warehouse SPV (RF) Proprietary Limited is a bankruptcy remote company, independently owned by the Vuselela Warehouse Owner Trust. At the end of March 2021, R 509 million of the facility was repaid enabling the facility to remain active. The facility remains active and at year end R 387 million was committed under the Bank Warehouse.

TUHF Limited has successfully negotiated a R 200 million 10-year term facility with Eskom Pension and Provident Fund. The facility commercial terms have been negotiated, the agreements have been signed and a drawdown of R200 million was done in July 2021.

The gearing ratio at 2021 and 2020 respectively were as follows:

	Group	
Figures in Rand	2021	2020
Total borrowings		
Interest bearing liabilities	3 376 303 451	3 239 363 031
Borrowings not subordinated	14 464 589	15 534 176
Total debt	**3 390 768 040**	**3 254 897 207**
Cash and cash equivalents	(103 669 160)	(92 701 693)
Net debt	**3 287 098 880**	**3 162 195 514**
-Tier 1 (capital and reserves per statement of financial position)	348 225 235	319 245 735
-Tier 2 (includes subordinated shareholders loans, non distributable reserves and deferred income)	256 596 361	213 961 637
Total capital	**604 821 596**	**533 207 372**
Total capital and debt	**3 891 920 476**	**3 695 402 886**
Gearing ratio	84%	86%

Financial risk management

Financial risks are identified and managed on a group basis. These risks are identified per the risk management framework in the risk matrix which is reported to the board through the audit and risk committee.

The responsibility for risk management resides at all levels, from members of the board to individuals throughout the group. Overall risk management policies and risk appetite is established on a comprehensive, organisation wide basis by senior management and is reviewed where appropriate and approved by the board of directors.

There has been no change in how the group assesses or manages its risks from the previous year, but the group has enhanced the risk management process by adopting a risk management framework that was approved by the board in May 2020. In terms of the framework, risks are identified both from within the organisation by designated risk champions and by management through Exco.

The main risks managed by the risk committee as described below include credit risk, liquidity risk and interest rate risk.

Notes to the Financial Statements

Liquidity risk

The group funds property loans through a combination of bilateral facilities, listed issuances, and off-balance sheet securitisation structures.

Liquidity risk is the risk that the group is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequences of which may be the failure to meet obligations to repay commitments to funders.

The board is responsible for the management of the liquidity risk of the group. The function of managing liquidity risk is executed through the group's Assets and Liabilities Committee (ALCO), a sub-committee of the board. Prudent management of liquidity contributes to sound liquidity risk management.

The key focus in managing this risk is the use of a cash flow model that monitors cash flows in the short term (12 months), ensuring that the group has adequate funding for repayments on lenders obligations as they become due, ongoing operational costs and disbursements of commitments to borrowers. Furthermore, the group performs a long term (5 years) financial forecast annually to manage and forecast cash flow requirements and compliance with covenants.

The group has developed and implemented a treasury management reporting system with full assets and liability management functionality. The more detailed treasury and risk management processes are important for the group in developing and enhancing the group funding strategy.

The group monitors the interest bearing liabilities maturing in the current period and has managed the amount down from prior years. The flexibility in the funding facilities affords management more in reducing such exposures. The source of funds may be accessed through the movement of assets to a warehouse, new liquidity, or prepayments.

As at 31 March 2021, TUHF Limited breached the loans with arrears and cost to income ratio covenants of certain funder loan agreements. TUHF Limited has received written condonation from all affected funders. The table below analyses the group and company's financial liabilities at the statement of financial position date to the contractual maturity date. The amounts as if they will become due and payable within the next 12 months:

At 31 March 2021 - Group	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total interest**	**Carrying value**
Related parties	14 551 617	-	-	(87 026)	14 464 591
Other liabilities and accruals	42 842 432	-	-	-	42 842 432
Interest bearing liabilities	757 111 791	2 031 589 202	1 481 328 329	(763 534 124)	3 506 495 198
	814 505 840	**2 031 589 202**	**1 481 328 329**	**(763 621 150)**	**3 563 802 221**

The maturity analysis below reflects the repayments based on expected cash flows, assuming that the funders do not demand repayment in the next 12 months:

At 31 March 2020 - Group (IFRS Compliant Maturity)	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total interest**	**Carrying value**
Related parties	15 903 921	-	-	(369 011)	15 534 910
Other liabilities and accruals	9 923 544	-	-	-	9 923 544
Interest bearing liabilities	1 708 754 903	1 750 085 372	747 068 502	(929 840 949)	3 276 067 828
	1 734 582 368	**1 750 085 372**	**747 068 502**	**(930 209 960)**	**3 301 526 282**

Included in the table above the contractual maturity (R525 079 176) is recorded for TUHF Urban finance (RF) Limited financial liabilities in the bucket 1-5 years. It is the intention that in 2025 this structure will come to an end and the financial liabilities will be settled through external funding.

At 31 March 2020 - Group (Expected Cashflow)	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total interest**	**Carrying value**
Related parties	15 903 921	-	-	(369 011)	15 534 910
Other liabilities and accruals	9 923 544	-	-	-	9 923 544
Interest bearing liabilities	764 536 524	3 093 309 326	445 388 140	(1 027 166 162)	3 276 067 828
	790 363 989	**3 093 309 326**	**445 388 140**	**(1 027 535 173)**	**3 301 526 282**

Notes to the Financial Statements

At 31 March 2021 - Company	Less than 1 year	1 to 5 years	Over 5 years	Total interest	Carrying value
Interest bearing liabilities	44 906 739	57 853 093	-	(8 211 742)	94 548 090
	44 906 739	**57 853 093**	**-**	**(8 211 742)**	**94 548 090**

At 31 March 2020 - Company	Less than 1 year	1 to 5 years	Over 5 years	Total interest	Carrying value
Interest bearing liabilities	-	35 000 000	-	1 704 797	36 704 797
	-	**35 000 000**	**-**	**1 704 797**	**36 704 797**

Liquidity mismatch - Group 2021	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
Gross advances				
TUHF Limited	103 885 730	550 326 891	1 363 801 293	2 018 013 914
TUHF Urban Finance (RF) Limited	40 109 070	189 263 943	352 628 893	582 001 906
Vuselela Warehouse SPV (RF) Proprietary Limited	19 483 427	115 371 132	290 526 639	425 381 198
Urban Ubomi 1 (RF) Limited	31 112 034	172 971 131	452 808 831	656 891 996
TUHF Bridge Proprietary Limited	5 497 776	-	-	5 497 776
	200 088 037	**1 027 933 097**	**2 459 765 656**	**3 687 786 790**

Interest bearing liabilities	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
TUHF Limited	459 430 827	1 167 593 509	255 156 731	1 882 181 067
TUHF Urban Finance (RF) Limited	35 829 709	169 070 789	320 178 678	525 079 176
Vuselela Warehouse SPV (RF) Proprietary Limited	17 336 737	102 659 506	258 516 326	378 512 569
Urban Ubomi 1 (RF) Limited	28 688 141	159 495 200	421 680 560	609 863 901
TUHF Holdings Limited	38 515 745	56 032 345	-	94 548 090
Jeppestown Urban Trust	-	16 310 395	-	16 310 395
Silverkey Proprietary Limited	1 036 513	-	-	1 036 513
	580 837 672	**1 671 161 744**	**1 255 532 295**	**3 507 531 711**
Liquidity mismatch	(380 749 635)	(643 228 647)	1 204 233 361	180 255 079

Liquidity mismatch - Group 2020 (IFRS Compliant)	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
Gross advances				
TUHF Limited	145 281 096	613 078 352	1 864 326 581	2 622 686 029
TUHF Urban Finance (RF) Limited	34 276 098	174 718 316	417 961 429	626 955 843
Vuselela Warehouse SPV (RF) Proprietary Limited	20 389 605	110 790 681	303 010 412	434 190 698
TUHF Bridge Proprietary Limited	2 184 319	-	-	2 184 319
	202 131 118	**898 587 349**	**2 585 298 422**	**3 686 016 889**

Interest bearing liabilities	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
TUHF Limited	1 492 026 000	588 758 814	176 417 316	2 257 202 130
TUHF Urban Finance (RF) Limited	31 256 247	125 024 989	437 587 462	593 868 698
Vuselela Warehouse SPV (RF) Proprietary Limited	-	-	388 292 203	388 292 203
TUHF Holdings Limited	-	36 704 797	-	36 704 797
	1 523 282 247	**750 488 600**	**1 002 296 981**	**3 276 067 828**
Liquidity mismatch	(1 321 151 129)	148 098 749	1 583 001 441	409 949 061

Notes to the Financial Statements

Liquidity mismatch - Group 2020 (Expected Cashflow)	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
Gross advances				
TUHF Limited	145 281 096	613 078 352	1 864 326 581	2 622 686 029
TUHF Urban Finance (RF) Limited	34 276 098	174 718 316	417 961 429	626 955 843
Vuselela Warehouse SPV (RF) Proprietary Limited	20 389 605	110 790 681	303 010 412	434 190 698
TUHF Bridge Proprietary Limited	2 184 319	-	-	2 184 319
	202 131 118	**898 587 349**	**2 585 298 422**	**3 686 016 889**

Interest bearing liabilities	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
TUHF Limited	463 005 822	1 393 644 249	400 552 059	2 257 202 130
TUHF Urban Finance (RF) Limited	31 256 247	125 024 989	437 587 462	593 868 698
Vuselela Warehouse SPV (RF) Proprietary Limited	-	-	388 292 203	388 292 203
TUHF Holdings Limited	-	36 704 797	-	36 704 797
	494 262 069	**1 555 374 035**	**1 226 431 724**	**3 276 067 828**
Liquidity mismatch	(292 130 951)	(656 786 686)	1 358 866 698	409 949 061

The liquidity mismatch pertaining to the period up to five years after reporting date will be managed by refinancing interest bearing liabilities. Refer to note 8 for the maturity analysis relating to advances.

Interest rate risk

Interest rate risk: the risk that the fair value, future earnings or future cash flows of a financial instrument fluctuate because of changes in market interest rates.

The board is responsible for the management of the interest rate of the group. The function of managing liquidity risk is executed through the group’s Assets and Liabilities Committee (ALCO), a sub-committee of the board.

The group is exposed to cash flow interest rate risk on both loan and advances and interest bearing liabilities that are linked to the prime rate or JIBAR.

The group monitors and manages its interest rate exposures in line with the ALCO policy and where necessary potential adverse effect of interest rate movements are mitigated by entering into appropriate interest rate swaps to bring the risk within the approved risk appetite.

The group entered into interest swaps in order to mitigate the risk created by the cash flow mismatch between prime and JIBAR.
The market risk exposure relates to the potential adverse effect of interest rate movements on net interest income.

At 31 March 2021, if interest rates on net borrowings and advances had been 1% higher with all other variables held constant, pre-tax profit for the year would have been R4 137 693 (2020: R3 244 069) higher, mainly as a result of higher net interest earned on variable rate borrowings and advances. If interest rates on net borrowings and advances had been 1% lower with all other variables held constant, pre-tax profit for the year would have been R4 137 693 (2020: R3 244 069) lower.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for another party by failing to discharge an obligation.

The credit risk that the company faces arises mainly from commercial loans and advances. The company has policies, procedures and processes dedicated to controlling and monitoring risk from all such activities.

While credit exposures principally arise in loans and advances, the company can be exposed to other credit risks. These exposures comprise loan commitments and contingent liabilities. The risks are managed in a similar way to those loans in loans and advances, and are subject to the same or similar approval and governance processes.

The granting of credit is one of the company's major sources of income and is therefore one of the most significant risks, and the company dedicates considerable resources to controlling it effectively. A system based loan workflow process is used to facilitate the loan approval process. The granting of credit is considered on a project by project basis and various hurdle rates are considered in terms of our loan and credit policy.

Advances are subject to a risk rating evaluation that takes into consideration inter alia the overall risk profile, collateral cover, payment record, past experiences, customers' co-operation in abiding by loan conditions and the economic climate. For further details regarding the Company's accounting policy refer to accounting policy note 1.

The board took the decision in March 2020 that no new credit decisions will be taken until they are certain what the full extent of the fallout is from Covid-19 on their clients, the capital market, the economy of South Africa as well as the world. Credit was opened in September 2020. The Group and Company's maximum exposure to credit risk is as follows:

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Financial instrument				
Cash and cash equivalents	103 669 397	92 701 693	1 223	2 645
Money market assets	10 845 191	3 627 720	-	-
Loans and advances	3 687 786 790	3 686 016 889	-	-
Other assets excluding prepayments	29 253 290	1 847 004	-	-
Loans to group companies and related parties	6 274 596	47 358 712	215 688 709	162 756 781
	3 837 829 264	**3 831 552 018**	**215 689 932**	**162 759 426**

Additional information pertaining to the credit risk of loan advances is contained in note 8. Credit exposure per geographic area for the mortgage lending product is shown in note 8. The company has a single product offering being a 15 year mortgage finance loan to purchase, convert and refurbish residential property in inner city areas experiencing urban decline.

4. Financial assets by category

Group - 2021	**Amortised cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	103 669 397	-	103 669 397
Money market assets	10 845 191	-	10 845 191
Loan and advances	3 552 569 134	-	3 552 569 134
Other assets excluding prepayments	23 635 776	5 617 514	29 253 290
Unlisted investments	-	24 967 606	24 967 606
Loans to group companies and related parties	6 274 596	-	6 274 596
	3 696 994 094	**30 585 120**	**3 727 579 214**

Group - 2020	**Amortised cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	92 701 693	-	92 701 693
Money market assets	3 627 720	-	3 627 720
Loan advances	3 544 254 413	-	3 544 254 413
Other assets excluding prepayments	1 847 004	-	1 847 004
Unlisted investments	-	24 573 001	24 573 001
Loans to group companies and related parties	46 359 810	-	46 359 810
	3 688 790 640	**24 573 001**	**3 713 363 641**

Company - 2021	**Amortised cost**	**Total**
Cash and cash equivalents	1 223	1 223
Loans to group companies and related parties	215 688 709	215 688 709

Company - 2020	**Amortised cost**	**Total**
Cash and cash equivalents	2 645	2 645
Loans to group companies and related parties	145 583 400	145 583 400
	145 586 045	**145 586 045**

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 2):

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:
- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 Derivatives		
Opening balance	-	-
Addition	5 540 262	-
Fair value adjustments (recognised in profit or loss)	77 252	-
	5 617 514	**-**

Urban Ubomi 1 (RF) Limited

Nominal value R562 412 460. The company has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps prime interest rate cashflows for 3-month JIBAR Cashflow. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently is May 2026.

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Level 3 unlisted investments		
Opening balance	24 573 001	23 770 113
Fair value adjustment (recognised in profit or loss)	394 605	802 888
	24 967 606	**24 573 001**

There were no reclassifications, or movements between levels during the current and prior period.

The most pertinent information used to determine the fair value of the unlisted investment is the underlying net asset value of the company.

The carrying value of financial assets (loans and advances) carried at amortised cost approximates the fair value.

5. Financial liabilities by category

Group - 2021	**Amortised cost**	**Fair value through profit or loss**	**Total**
Interest bearing liabilities	3 487 161 934	7 017 022	3 494 178 956
Loans from group companies	14 464 591	-	14 464 591
Other liabilities	42 842 432	-	42 842 432
	3 544 468 957	**7 017 022**	**3 551 485 979**

Notes to the Financial Statements

Group - 2020	Amortised cost	Total
Interest bearing liabilities	3 264 135 401	3 264 135 401
Loans from group companies	15 534 910	15 534 910
Other liabilities	9 923 544	9 923 544
	3 289 593 855	**3 289 593 855**

Company - 2021	Amortised cost	Total
Interest bearing liabilities	94 548 090	94 548 090
Loans from group companies	102	102
Other liabilities	81	81
Dividend payable	-	-
	94 548 273	**94 548 273**

Company - 2020	Amortised cost	Total
Interest bearing liabilities	36 704 797	36 704 797
Loans from group companies	102	102
	36 704 899	**36 704 899**

The table below sets out the reconciliation of financial liabilities that are measured at fair value based on inputs that are not based on observable market data (level 2):

Level 2 Derivatives		
Opening balance	-	-
Addition	7 197 083	-
Fair value adjustments (recognised in profit or loss)	(180 061)	-
	7 017 022	**-**

TUHF Limited

Nominal value R562 412 460. The company has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps prime 3- month Jibar cashflows for prime Cashflow. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently is May 2026.

Group - 2021	Level 2	Level 3	Total
Interest bearing liabilities	7 017 022	3 487 161 934	3 494 178 956

Group - 2020	Level 2	Level 3	Total
Interest bearing liabilities		3 264 135 401	3 264 135 401

6. Cash and cash equivalents

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Cash on hand	11 674	17 190	-	-
Current and call accounts	103 657 723	92 684 503	1 223	2 645
	103 669 397	**92 701 693**	**1 223**	**2 645**

6. Cash and cash equivalents (continued)

Composition of cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include total cash and money market assets. The money market assets are subject to restrictions and are not available to the company or group unless the guarantees are cancelled. Cash is held at Standard Bank of South Africa Limited.

Cash and cash equivalents	103 669 397	92 701 693	1 223	2 645
Money market assets	10 845 191	3 627 720	-	-
	114 514 588	**96 329 413**	**1 223**	**2 645**

7. Money market assets

Deposits for payment guarantees	10 162 081	1 777 323	-	-
Deposits pending property transfer registrations	683 110	1 850 397	-	-
	10 845 191	**3 627 720**	**-**	**-**

8. Loans and advances

Loans and advances	3 687 786 790	3 686 016 889	-	-
Deferred raising fee**	(4 548 512)	(19 575 081)	-	-
Expected credit losses	(130 669 144)	(122 187 395)	-	-
	3 552 569 134	**3 544 254 413**	**-**	**-**

** The current portion of the deferred raising fee is R3 723 023 (2020: R 10 328 173).

Exposure to credit risk

Loans and advances inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained in all cases. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Notes to the Financial Statements

8. Loans and advances (continued)

Group 2021	Stage 1 Standard monitoring	Stage 2 Special monitoring	Stage 3 Default	Total
Gross loans	3 250 031 335	114 575 132	323 180 323	3 687 786 790

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance 01 April 2020	18 501 063	27 086 580	76 599 752	122 187 395
Transfers between stages	35 723 792	(18 255 034)	(17 468 758)	-
Transfer to/ (from) stage 1	(314 463)	117 762	196 701	-
Transfer to/ (from) stage 2	14 937 170	(18 372 796)	3 435 626	-
Transfer to/ (from) stage 3	21 101 085	-	(21 101 085)	-
Net impairments raised/(released)	(40 686 922)	263 809	72 511 530	32 088 417
ECL movement in the current year	(34 211 102)	7 907 933	87 344 584	61 041 415
Change in ECL due to derecognition	(6 475 820)	(7 644 124)	(14 833 054)	(28 952 998)
Interest income on stage 3 loans not recognised	-	-	(3 073 861)	(3 073 861)
Impaired accounts written off	-	-	(20 532 807)	(20 532 807)
Closing balance	**13 537 933**	**9 095 355**	**108 035 856**	**130 669 144**

1) Net impairments raised/(released) less recoveries of amounts written off in previous years equals income statement impairment (refer credit impairment charges note).

2) The group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore exposures can be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period and shown in the "Subsequent changes in ECL line". Furthermore, the expected credit loss recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the line "ECL movement in the current year" based on the exposures ECL stage as at the end of the reporting period.

Net Advances	3 236 493 402	105 479 777	215 144 467	3 557 117 646

Group 2020	Stage 1 Standard monitoring	Stage 2 Special monitoring	Stage 3 Default	Total
Gross loans	3 050 094 929	248 973 483	386 948 477	3 686 016 889

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance at 01 April 2019	8 867 200	8 451 537	62 086 243	79 404 980
Transfers between stages	27 550 172	(4 072 790)	(23 477 382)	-
Transfer to/ (from) stage 1	(1 002 824)	64 683	938 141	-
Transfer to/ (from) stage 2	4 897 131	(5 663 855)	766 724	-
Transfer to/ (from) stage 3	23 655 865	1 526 382	(25 182 247)	-
(released)	(17 916 309)	22 707 833	37 419 164	42 210 688
ECL on new exposures raised	(17 265 867)	22 707 833	43 817 497	49 259 463
Change in ECL due to derecognition	(650 442)	-	(6 398 333)	(7 048 775)
Interest income on stage 3 loans not recognised	-	-	7 926 334	7 926 334
Impaired accounts written off	-	-	(7 354 607)	(7 354 607)
Closing balance	**18 501 063**	**27 086 580**	**76 599 752**	**122 187 395**

1) Net impairments raised/(released) less recoveries of amounts written off in previous years equals income statement impairment (refer credit impairment charges note).

2) The group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore exposures can be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period. Furthermore, the expected credit loss recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the line "ECL" on new exposure raised" based on the exposures ECL stage as at the end of the reporting period.

Notes to the Financial Statements

8. Loans and advances (continued)

Net Advances	3 031 593 866	221 886 903	310 348 725	3 563 829 494

Credit quality of other financial assets

In order to ensure the optimal recovery of the underlying collateral property, management may take temporary possession of an underlying property.

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Geographical analysis				
Eastern Cape	223 126 667	198 560 804	-	-
Free State	90 455 081	60 348 787	-	-
Gauteng	2 394 151 170	2 633 789 529	-	-
KwaZulu Natal	608 725 034	513 148 101	-	-
Western Cape	371 328 838	280 169 668	-	-
	3 687 786 790	**3 686 016 889**	**-**	**-**
Product analysis				
Mortgage loans	3 682 289 014	3 683 832 570	-	-
Bridge loans	5 497 776	2 184 319	-	-
	3 687 786 790	**3 686 016 889**	**-**	**-**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

8. Loans and advances (continued)

Collateral held

Loan book less stage 3 assets	6 834 259 737	6 709 019 543	-	-
Stage 3 assets	452 378 146	594 452 874	-	-
	7 286 637 883	**7 303 472 417**	**-**	**-**

9. Other assets

Deposits	908 723	905 783	-	-
Financial asset hedge	5 617 514	-	-	-
Interest on guarantee funds	95 397	210 220	-	-
Other receivables	22 072 539	731 001	-	-
Non-financial instruments:				
VAT	559 117	-	-	-
Deferred and prepaid expenses	1 554 840	1 785 789	313	312
	30 808 130	**3 632 793**	**313**	**312**

Amounts receivable are all current. Accounts receivable are regarded as having a low probability of default and therefore the related expected credit loss is not significant.

10. Properties in possession

Reconciliation of properties in possession - Group - 2021

	Opening balance	**Total**
Properties in possession	11 400 000	11 400 000

Reconciliation of properties in possession - Group - 2020

	Opening balance	**Additions**	**Total**
Properties in possession	-	11 400 000	11 400 000

Details of properties

1. Old Trafford, Erven 828-830 located at 24 Kruger street City and Suburban Johannesburg.
2. Philipps, Toys, Wellsid Court, Sections 1-8 of Sectional title scheme Toys Court & Sections 1-9 of Sectional title scheme Philips Court & Sections 1,2,3,5,6,7,8 of Sectional title scheme Wellsid court. Located at 5,6&7 Sueltz Street Port Elizabeth.

11. Investment property

Group	Cost / Valuation	Carrying value
Investment property	279 870 000	279 870 000

Details of property

1. Erf 2762, 60 John Page Drive, Jeppestown, Johannesburg
2. Erf 2825, Milner House, Jeppestown, Johannesburg
3. Erf 2788, Catham, Jeppestown, Johannesburg
4. Portion 1 of Erf 646, Portion 1 of Erf 648, Remaining Extent of Erf 649, Remaining Extent of Erf 647, Remaining Extent of Erf 654, Remaining Extent of Erf 651 and Remaining Extent of Erf 655, Karl House, Jeppestown, Johannesburg
5. Erf 2808, 28 Madison (Bjala Square), Johannesburg
6. Erven 495 & 496, 35 & 37 Jules Street, Johannesburg
7. Erf 246, 33 Madison, Johannesburg
8. Erf 640, Rodi Rose, Johannesburg
9. Erf 2805, 38 John Page drive, Johannesburg
10. Erf 41 and Erf 144 New centre Johannesburg (17 Roper)
11. Erf 336, Erf 337 Erf 339 and Erf 341, Jeppestown (Masana House)
12. Erf 175, Erven 180-183 Jeppestown, Johannesburg (33 Macyntire)

The properties listed above serve as collateral for the mortgage loans granted by TUHF Limited as per note 25.

Details of valuation

All revaluations for 2021 were performed by an independent valuer that is not connected to the companies and have experience in the location and category of the investment property being revalued. The valuation was based on open market value for existing use on a capitalised cash flow basis. The capitalisation rate used ranged between 10%-13% and is determined from the market (i.e. the rate at which similar assets have traded recently), and is influenced in general by: rates of return of similar properties, risk, obsolescence, inflation, market rental growth rates, rates of return on other investments, as well as mortgage rates.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

12. Loans to/(from) group companies and related parties

TUHF Limited*

TUHF Limited The loan is interest free with no stated terms of repayment.	-	-	10 000 000	10 000 000
TUHF Limited The loan carries interest at 75% of prime lending rate and has no fixed terms of repayment.	-	-	88 307 923	84 323 141
TUHF Limited The loan carries interest at prime lending rate less 2% and has no fixed terms of repayment.	-	-	137 864 851	130 911 717
TUHF Limited The loan carries interest at the market call rates of the group.	-	-	(118 306 389)	(109 536 125)
TUHF Limited	-	-	56 032 345	-
Loans to group companies ECL	-	-	(10 090 300)	(15 136 623)
	-	**-**	**163 808 430**	**100 562 110**

Joint ventures

Better Urban Living 2 Proprietary Limited** The loan is unsecured, bears interest at prime plus 1,75% and is payable in 2023.	-	22 195 982	-	-
Silverkey Proprietary Limited** The loan is unsecured, bears interest at prime plus 1,75% and is payable in 2023.	-	11 737 314	-	-
Risk Prop Proprietary Limited** The loan is unsecured, bears interest at prime plus 3% and is payable in 2023.	2 659 527	2 399 878	-	-
Pearl Property Investment Proprietary Limited** The loan is unsecured, bears interest at prime plus 5% and is payable in 2024.	2 792 845	2 470 887	-	-
Loans to joint venture companies ECL	(441 319)	(754 789)	-	-
	5 011 053	**38 049 272**	**-**	**-**

*All these loans have been classified as stage 2 in 2021 (2020: stage 2)
**All these loans have been classified as stage 2 in 2021 (2020: stage 1)

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

12. Loans to/(from) group companies and related parties (continued)

Other group companies*

Umastandi Proprietary Limited Unsecured, interest free, with no fixed terms of repayment.	-	501	-	-
TUHF Equity Proprietary Limited Unsecured, carries interest at prime lending rate plus 0,25%, with no fixed terms of repayment.	-	-	53 738 215	47 058 048
Intuthuko Equity Fund Proprietary Limited	1 263 543	-	-	-
Loans to group companies ECL	-	-	(1 857 936)	(2 036 758)
	1 263 543	**501**	**51 880 279**	**45 021 290**

Related parties				
Bjala Investments Proprietary Limited** The loan is unsecured, bears interest at prime plus 2% and is repayable in 2023	-	4 842 748	-	-
EGC Properties Proprietary Limited*** The loan is unsecured, bears interest at prime plus 2.5% and is repayable in 2023	4 067 067	3 711 402	-	-
Loans to related parties ECL	(4 067 067)	(244 113)	-	-
	-	**8 310 037**	**-**	**-**
Total	**6 274 596**	**46 359 810**	**215 688 709**	**145 583 400**

*All these loans have been classified as stage 1 in 2021 (2020: stage 2)
**All these loans have been classified as stage 1 in 2021 (2020: stage 1)
***This loan has been classified as stage 3 in 2021 (2020: stage 3)

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

12. Loans to/(from) group companies and related parties (continued)

Reconciliation of group related borrowings

Loans to related parties				
Opening balance	46 359 810	31 975 185	145 583 400	170 100 996
Advances	6 900	10 174 299	58 211 068	10 648 814
Interest	930 372	5 208 727	13 894 874	14 195 431
Advances non-cash	1 263 543	501	81	-
Repayments	-	-	(7 225 859)	(17 188 460)
Dividends paid	(501)	-	-	(15 000 000)
Loans no longer joint venture	(38 776 044)	-	-	-
Add back prior year ECL	998 902	-	17 173 381	-
Loans to group companies ECL	(441 319)	(754 789)	(11 948 236)	(17 173 381)
Loans to related parties ECL	(4 067 067)	(244 113)	-	-
	6 274 596	**46 359 810**	**215 688 709**	**145 583 400**

13. Investments in subsidiaries

Group

Group

Name of company	Held by	% holding 2021	% holding 2020
Better Urban Living 2 Proprietary Limited	TUHF Equity Proprietary Limited	100,00 %	- %
Silverkey Proprietary Limited	TUHF Equity Proprietary Limited	100,00 %	- %
Jeppestown Urban Trust	TUHF Equity Proprietary Limited	100,00 %	- %

Company

Name of company	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
TUHF Limited (Property financier)	100,00 %	100,00 %	26 333 333	26 333 333
TUHF Bridge Proprietary Limited (Short-term bridging finance)	100,00 %	100,00 %	46 767	46 767
TUHF MBS Proprietary Limited (Security SPV)	100,00 %	100,00 %	1	1
TUHF Equity Proprietary Limited (Equity finance)	100,00 %	100,00 %	1	1
			26 380 102	26 380 102

14. Business combinations

During the financial year TUHF Equity Proprietary Limited acquired 100% control of two of its joint venture companies and a related party of one of the joint ventures.

Silverkey Proprietary Limited

14. Business combinations (continued)

TUHF Equity bought the additional 50% ownership of Silverkey Proprietary Limited for R100 by way of a share sale agreement in May 2020. The purpose of the purchase was to obtain full ownership of the investment property portfolio following a dispute between the parties and a settlement arrangement that was reached. The investment in subsidiary is held at cost, consistent with the group accounting policy. The 50% investment held under the equity accounted method was revalued at the date of acquisition and de-recognised and the investment in subsidiary was brought in at the effective date.

The acquisition of Silverkey has been provisionally accounted for, as per the requirements of IFRS 3: Business combinations. Goodwill is therefore calculated based on draft accounting figures as at 1 May 2020. A bargain gain on purchase of R25 million was recognised in the consolidated financial statements of the Group as a result of the fair value of the net assets value of R25 million exceeding the purchase consideration of R100. Three of the four buildings in this portfolio were completed during this financial year and, subsequent to the financial year end, Management concluded a sale agreement for two of the buildings namely Chatham house and Karl House in the portfolio.

Control of the property management of the portfolio was obtained in May 2020 and is being managed by TUHF Equity.

Better Urban Living 2 Proprietary Limited

TUHF Equity bought the additional 50% ownership of Better Urban Living 2 Proprietary Limited in January 2021 for a consideration of R50. The purchase was a result of a settlement agreement reached between the shareholders as a result of the non- performance of the client and for the protection of the quality of the investment property portfolio held by the Better Urban Living 2 Proprietary Limited. The investment in subsidiary is held at cost, consistent with the group accounting policy. The 50% investment held under the equity accounted method was revalued at the date of acquisition and de-recognised and the investment in subsidiary was brought in at the effective date.

The acquisition of Better Urban Living 2 Proprietary Limited has been provisionally account for, as per the requirement of IFRS 3: Business Combinations. A goodwill amount of R19.03 million has therefore been recognised based on the available information regarding the net assets and liabilities as at 31 March 2021. The fair value of assets acquired of R68 million was less than fair value of the of liabilities of R87 million, as recognised in the consolidated financial statements of the Group. Whilst management are confident that there is more value to be unlocked in the portfolio of this company in the coming years, the goodwill has been impaired for the current year.

No rental income for the period February 2021 and March 2021 has been included for the properties due to the immateriality of the information.

Control of the property management of the portfolio was obtained in January 2021 and is being managed by TUHF Equity.

	Group		Company	
Figures in Rand	2021	2020	2021	2020

14. Business combinations (continued)

Jeppestown Urban Trust

As part of the settlement agreement reached between the shareholders of Better urban Living 2 Proprietary Limited, TUHF Equity gained 100% control of the Jeppestown Urban Trust and became the new beneficiary of the Trust in January 2021. No consideration was paid for the control.

The acquisition of Jeppestown Urban Trust has been provisionally accounted for, as per the requirements of IFRS3: Business Combinations. The recorded fair values of assets and liabilities at acquisition is therefore based on the available information as at 31 March 2021. The total residential portfolios held at fair value is R139 million. The investment in the Trust is held at cost, in line with the group accounting policy. A bargain gain on purchase of R15.38 million is recognised in the consolidated financial statements of the Group as a result of the fair value of the net assets value acquired of R15.38 million exceeding the purchase consideration of R nil.

No rental income for the period February 2021 and March 2021 has been included for the properties due to the immateriality of the information.

Control of the property management of the portfolio was obtained in January 2021 and is being managed by TUHF Equity.

Valuation method used in determining the fairvalue of the Asset and Liabilities of company acquired.

Assets:

The fair value of the assets were calculated using independent external valuers that performed an independent valuation on the buildings using the Income Capitalised Approach.

This comparative approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment). In general, the principal of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure. The capitalisation rate used ranged between 10%-13% and is determined from the market (i.e. the rate at which similar assets have traded recently), and is influenced in general by: rates of return of similar properties, risk, obsolescence, inflation, market rental growth rates, rates of return on other investments, as well as mortgage rates.

Liabilities:

For Liabilities, the outstanding amount at the date of control was used as that is considered to be the fair value of the liability at that given time.

	Group		Company	
Figures in Rand	2021	2020	2021	2020

14. Business combinations (continued)

Name of Business acquired	Nature of Business	Effective date of control	Interest Acquired (%)	Purchase Consideration transferred (R)
Silverkey Proprietary Limited	Property Investment held for rental Income	May-20	100 %	100
Better Urban Living 2 Proprietary Limited	Property Investment held for rental Income	Jan-21	100 %	50
Jeppestown Urban Trust	Property Investment held for rental Income	Jan-21	100 %	-

Fair value of assets and Liabilities assumed at the date of acquisition	Silverkey Proprietary Limited	Better Urban Living 2 Proprietary Limited	Jeppestown Urban Trust
Assets			
Investment properties	72 050 000	68 200 000	139 620 000
Other receivables	100	-	-
	72 050 100	68 200 000	139 620 000
Liabilities			
Trade and other payable	2 063 516	6 921 956	17 934 230
Interest bearing debt	33 089 467	50 738 949	95 760 592
Shareholder loans	11 833 463	29 568 467	-
Other Liabilities	8 253	-	10 544 239
	46 994 699	**87 229 372**	**124 239 061**
Net assets acquired	25 055 401	(19 029 372)	15 380 939
Total purchase consideration	100	50	-
Cash paid	100	50	-
(Goodwill)/ Bargain purchase*	25 055 301	(19 029 422)	15 380 939

*None of the goodwill arising on the acquisitions during the year is expected to be deductible for tax purposes.

Goodwill	2021	2020
Net carrying value at the beginning of the year	-	-
Net movement during the year	-	-
Net acquisition/ (disposals) of subsidiaries	19 029 422	-
Better Urban Living 2 Proprietary Limited	19 029 422	-
	-	-
Impairments	(19 029 422)	-
Better Urban Living 2 Proprietary Limited**	(19 029 422)	-
Re- classification to held for sale	-	-
Net carrying amount at the end of the year	**-**	**-**

14. Business combinations (continued)

**The impairment of goodwill in Better Urban Living 2 was a result of the lack of maintenance and the high percentage vacancies in the investment portfolio.

Goodwill impairment testing

Goodwill impairment occurs when the recognised goodwill associated with an acquisition is greater than its implied fair value. In determining the goodwill TUHF Equity used external property valuation to ascertain the fair value of the assets for the company's acquired. The fair value of the liabilities was the outstanding amount at the date of assessment and If the fair value of the asset was less than the fair value of the liabilities, the full amount of goodwill was required to be impaired.

15. Investments in joint ventures

Joint ventures

The following table lists all of the joint ventures in the group:

Name of company	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021	Carrying amount 2020
Better Urban Living 2 Proprietary Limited	- %	50,00 %	-	2 279 727
Silverkey Proprietary Limited	- %	50,00 %	-	100
Risk Prop Proprietary Limited	50,00 %	50,00 %	3 683 930	2 409 147
Pearl Property Investment Proprietary Limited	50,00 %	50,00 %	500	10 180
			3 684 430	4 699 154

Aggregate amount of the group's share of profit/ (loss) after tax		
Better Urban Living 2 Proprietary Limited	(2 279 727)	2 278 727
Silverkey Proprietary Limited	(100)	-
Risk Prop Proprietary Limited	1 274 783	(553 134)
Pearl Properties Proprietary Limited	(9 680)	9 680
Total	**(1 014 724)**	**1 735 273**

(1) The company has purchased 50% of the share capital in Better Urban Living 2 Proprietary Limited in February 2018 and a shareholder's loan of R10.5 million has been advanced. A joint venture agreement has been signed for the development of the investment property. The group gained control of 100% of Better Urban Living 2 Proprietary Limited in the current year. See note 14.

(2) The company has purchased 50% of the share capital in Silverkey Proprietary Limited in September 2018 and a shareholder's loan of R9.6 million has been advanced. A joint venture agreement has been signed for the development of the investment property. The group gained control of 100% of Silverkey Proprietary Limited in the current year. See note 14.

(3) The company has purchased 50% of the share capital in Risk Prop Proprietary Limited in September 2018 and a shareholder's loan of R2 million has been advanced. A joint venture agreement has been signed for the development of the investment property.

(4) The company has purchased 50% of the share capital in Pearl Properties Investment Proprietary Limited in June 2019 and a Shareholders loan of R2.2 million has been advanced. A joint venture agreement has been signed for the development of the investment property.

The unrecognised profits on these joint ventures amount to R10.7 million (2020: R0) The reduction from the prior year is as a result of the sale of an associate in the current year which had unrecognised profits.

	Group		Company	
Figures in Rand	2021	2020	2021	2020

16. Unlisted investments

Mandatorily at fair value through profit or loss:				
Urban Task Force Proprietary Limited	24 967 606	24 573 001	-	-
	24 967 606	**24 573 001**	**-**	**-**

TUHF Limited holds 5% in Urban Task Force Proprietary Limited. The shares are held at fair value.

Fair value disclosures

Group - 2021	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment in Urban Task Force Proprietary Limited	24 967 606	-	-	24 967 606	24 967 606

Group - 2020	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment Urban Task Force Proprietary Limited	24 573 001	-	-	24 573 001	24 573 001

Urban Task Force Proprietary Limited is valued as a percentage of net asset value of the latest available management accounts of UrbanTask Force Proprietary Limited. Urban Task Force Proprietary Limited operates in the property rental business and the investment properties in the statement of financial position are measured at fair value at year end. Management is of the opinion that the net asset value represents fair value accurately as the investment properties are the most significant assets on the Statement of Financial Position. Management has also reviewed independent and director's valuations of the assets and liabilities of Urban Task Force Proprietary Limited and is comfortable that the net asset value is within an acceptable range of these values. Independent valuations are obtained by the directors of Urban Task Force Proprietary Limited and a capitalisation rate of 10% - 12% (2020: 10% - 12%) was considered a key assumption.

At 31 March 2021, if the capitalisation rate used to value the investment properties of Urban Task Force Proprietary Limited had been 1% higher (downturn) or 1% lower (upturn) with all other variables held constant, the value of the unlisted investment would be as follows:

	2021	**2020**
Downturn	R18 872 345	R18 521 562
Base Case	R24 967 606	R24 573 001
Upturn	R32 281 919	R31 834 728

17. Equipment

Group	2021			2020		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office furniture and equipment	3 554 282	(2 971 141)	583 141	3 491 417	(2 565 993)	925 424
Computer hardware and telephones	6 070 339	(4 795 775)	1 274 564	5 275 116	(4 272 193)	1 002 923
Total	**9 624 621**	**(7 766 916)**	**1 857 705**	**8 766 533**	**(6 838 186)**	**1 928 347**

Reconciliation of Equipment - Group - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	925 424	62 865	-	(405 148)	583 141
Computer hardware and telephones	1 002 923	816 068	(5 201)	(539 226)	1 274 564
	1 928 347	**878 933**	**(5 201)**	**(944 374)**	**1 857 705**

Reconciliation of Equipment - Group - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	1 140 226	341 335	(956)	(555 181)	925 424
Computer hardware and telephones	978 888	606 739	-	(582 704)	1 002 923
	2 119 114	**948 074**	**(956)**	**(1 137 885)**	**1 928 347**

18. Leases (group as lessee)

Right-of-use assets

2021	Opening balance	Adjustments	Additions	Modifications	Depreciation	Total
Office space (buildings)	8 258 342	(9 648)	224 522	9 958 480	(3 808 206)	14 623 490

2020	Opening balance	Additions	Disposal	Depreciation	Total
Office space (buildings)	11 136 982	762 777	-	(3 641 417)	8 258 342

Lease liabilities

2021	Opening balance	Adjustments	Additions	Modifications	Payments	Interest expense	Total
Office space (buildings)	9 227 648	(19 565)	224 522	9 585 231	(4 497 243)	1 524 936	16 045 530

2020	Opening balance	Additions	Payments	Interest expense	Total
Office space (buildings)	11 857 005	762 775	(4 421 548)	1 029 416	9 227 648

	Group		Company	
Figures in Rand	2021	2020	2021	2020

18. Leases (group as lessee) (continued)

Finance lease liabilities

Maturity analysis				
Within one year	4 108 785	788 537	-	-
Two to five years	15 694 033	8 087 555	-	-
More than five years	-	-	-	-
Total undiscounted lease liabilities at 31 March 2021	**19 802 818**	**8 876 092**	**-**	**-**

Lease liabilities in the statement of financial position at 31 March 2021				
Non-current liabilities	13 271 171	5 752 338	-	-
Current liabilities	2 774 359	3 475 310	-	-
Total	**16 045 530**	**9 227 648**	**-**	**-**

19. Intangible assets

Group	2021			2020		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	20 511 229	(15 406 771)	5 104 458	17 972 690	(13 187 656)	4 785 034

Reconciliation of intangible assets - Group - 2021

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	4 785 034	2 538 539	(2 219 115)	5 104 458

Reconciliation of intangible assets - Group - 2020

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	5 204 194	1 521 299	(1 940 459)	4 785 034

20. Deferred tax

Deferred tax liability

Accelerated depreciation	(1 429 248)	(1 339 809)	-	-
Deferred expenses	(3 516 733)	(3 435 908)	-	-
Fair value adjustment	(3 704 424)	(3 616 031)	-	-
Prepaid expenses	(145 792)	(226 119)	(88)	(88)
IFRS 16 Leases	-	(150 011)	-	-
Prior year consolidation error	(646)	-	-	-
Total deferred tax liability	**(8 796 843)**	**(8 767 878)**	**(88)**	**(88)**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

20. Deferred tax (continued)

Deferred tax asset

Provision for bonus	349 285	321 824	-	-
Loan impairments	3 388 904	3 885 223	-	-
Deferred income	1 273 583	5 481 022	-	-
Provision for bad debts	7 570 606	17 419 304	-	-
Intercompany ECL	757 409	167 815	2 007 391	2 885 128
IFRS 16 Leases	84 040	-	-	-
Fair value derivatives	391 862	-	-	-
Share scheme	820 225	-	-	-
Deferred tax asset on assessed loss	13 512 870	-	-	-
Deferred tax balance from temporary differences other than unused tax losses	28 148 784	27 275 188	2 007 391	2 885 128
Total deferred tax asset	**28 148 784**	**27 275 188**	**2 007 391**	**2 885 128**
Deferred tax liability	(8 796 843)	(8 767 878)	(88)	(88)
Deferred tax asset	28 148 784	27 275 188	2 007 391	2 885 128
Total net deferred tax asset	**19 351 941**	**18 507 310**	**2 007 303**	**2 885 040**

Reconciliation of deferred tax asset / (liability)

At beginning of year	18 507 310	16 046 816	2 885 040	(117)
Provisions	27 462	(139 237)	-	-
Accelerated depreciation	(89 439)	117 365	-	-
Current year charge - movement on loan impairment	(10 345 017)	4 419 061	-	-
Deferred income	(4 207 439)	(1 073 232)	-	-
Deferred and prepaid expenses	(501)	(1 163 080)	-	29
Fair value adjustment	567 838	(179 847)	-	-
Loans to group companies and related parties ECL	589 593	167 816	(877 737)	2 885 128
IFRS 16 Leases	234 051	(150 011)	-	-
IFRS Accounting policy change opening balance adjustment	-	663 441	-	-
IFRS Accounting policy change	-	(201 782)	-	-
Deferred tax asset on assesed loss	13 512 870	-	-	-
Prior year consolidation corrections	555 213	-	-	-
	19 351 941	**18 507 310**	**2 007 303**	**2 885 040**

The deferred tax balance at year end is considered non-current.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

21. Share capital

Authorised				
150 000 000 ordinary shares of no par value	-	-	-	-
20 000 000 no par value ordinary C shares	-	-	-	-
100 000 000 no par value unspecified shares	-	-	-	-
Authorised - cumulative redeemable preference shares				
35 000 preference shares of R1 000 per share	35 000 000	35 000 000	35 000 000	35 000 000
	35 000 000	**35 000 000**	**35 000 000**	**35 000 000**

Refer to note 25 for disclosure of preference shares treated as a financial liability.

Issued				
79 551 633 ordinary shares at no par value	90 012 541	90 012 541	90 012 541	90 012 541
13 226 765 no par value C ordinary shares	25 335 615	25 335 615	25 335 615	25 335 615
Ordinary Share at no par value	400	300	-	-
Share premium	18 739 068	18 739 068	18 739 068	18 739 068
Treasury shares	(7 389 583)	(7 389 583)	-	-
	126 698 041	**126 697 941**	**134 087 224**	**134 087 224**

Treasury shares				
At beginning of the year	7 389 583	7 179 350	-	-
Shares bought by TUHF Limited from employees	-	210 233	-	-
	7 389 583	**7 389 583**	**-**	**-**

Share premium				
At beginning and end of the year	18 739 068	18 739 068	18 739 068	18 739 068

22. Non-distributable reserves

A grant agreement was entered into between the company and National Treasury to advance R200 million to the company over 3 years. The funds were included in R800 million senior debt to lend to end user clients. To date R157,5 million has been received and on lent to end users. The residual amount only is not available for distribution to the shareholders. The project has successfully come to an end and no further funds will be received.

Non-distributable reserve	157 499 759	157 499 759	-	-
	157 499 759	**157 499 759**	**-**	**-**

23. Loans from group companies

Subsidiaries

TUHF Bridge Proprietary Limited Interest is paid at market call rates. The loan is payable in 12 months.	-	-	100	100
TUHF MBS Proprietary Limited Unsecured, interest free with no terms of repayment.	-	-	1	1
TUHF Equity Proprietary Limited Current account	-	-	1	1
Intuthuko Equity Fund Proprietary Limited	-	734	-	-
	-	**734**	**102**	**102**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020
23. Loans from group companies (continued)				
Holding company				
TUHF21 NPC Interest is charged at market call rates and there are no fixed terms of repayment	14 464 591	15 534 176	-	-
Reconciliation of group related borrowings				
Loans from related parties				
Opening balance	15 534 910	20 321 928	102	102
Advances	1 199 805	9 672 801	-	-
Interest	120 871	779 713	-	-
Advances non-cash	-	733	-	-
Repayments	(2 390 995)	(15 240 265)	-	-
	14 464 591	**15 534 910**	**102**	**102**
24. Trade and other payables				
Financial instruments:				
Trade payables	11 464 888	6 314 997	-	-
COJ Municipal Provision	29 196 180	-	-	-
Other payables	2 181 364	3 356 124	81	-
Non-financial instruments:				
VAT	-	252 423	-	-
	42 842 432	**9 923 544**	**81**	**-**

The balance at year end is considered current.

	Group 2021	Group 2020	Company 2021	Company 2020
25. Financial liabilities				
Held at amortised cost				
Secured				
National Housing Finance Corporation SOC Limited The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by September 2024.	15 708 590	17 564 720	-	-
National Housing Finance Corporation SOC Limited The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by 30 November 2024.	26 332 360	28 061 776	-	-
Development Bank of South Africa SOC Limited The loan of R50 million from the Development Bank of South Africa SOC Limited is at an interest rate of prime minus 2%. Interest and capital is repaid over the remaining term and will be repaid by September 2022.	9 076 456	11 949 590	-	-

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020
25. Financial liabilities (continued)				
Development Bank of South Africa SOC Limited The loan of R100 million from the Development Bank of South Africa SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and must be repaid in full by 30 June 2024.	33 944 523	38 693 700	-	-
Future Growth Asset Management The loan of R100 million from Future Growth Asset at an interest rate of prime minus 0,75%. Interest and capital are repaid over the remaining term and will be repaid by February 2022.	15 085 048	22 984 416	-	-
National Housing Finance Corporation SOC Limited The loan of R100 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2028.	57 425 400	61 016 783	-	-
National Housing Finance Corporation SOC Limited The loan of R25 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2029.	12 901 838	13 612 631	-	-
National Housing Finance Corporation SOC Limited The loan of R120 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 0.5%. Interest and capital are repaid over the remaining term and will be repaid in full by December 2025.	62 274 936	67 599 319	-	-
Development Bank of South Africa SOC Limited The loan of R200 million from the Development Bank of South Africa Limited is at an interest rate of prime minus 1.0%. Interest and capital are repaid over the remaining term and must be repaid in full by 31 December 2024.	84 357 485	94 212 214	-	-
Cadiz Life and Asset Management The loan of R40 million from Cadiz Life and R10 million from Cadiz Asset Management is at an interest rate of prime plus 0.25%. The facility period was extended for another 60 months in June 2015. Interest and capital are repaid over the remaining term and repayment is extended by 12 months to May 2021.	23 801 744	26 581 211	-	-
Futuregrowth Asset Management The loan of R250 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.5%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by August 2021.	87 579 320	103 940 975	-	-
Mergence Investment Managers The loan of R15 million from Mergence Investment Managers is at an interest rate of prime less 0.5%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by August 2026.	8 755 586	9 420 182	-	-
Public Investment Corporation The loan of R300 million from the Public Investment Corporation is at an interest rate of prime less 2%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by December 2027.	183 075 813	194 974 800	-	-

	Group		Company	
Figures in Rand	2021	2020	2021	2020
25. Financial liabilities (continued)				
Futuregrowth Asset Management The loan of R300 million from Futuregrowth Asset Management acting as facility agent on behalf of Senior Lenders is at an interest rate of prime plus 0.2%. R200 million is repayable in equal monthly instalments of capital and interest calculated and interest calculated according to a 144-month amortisation profile as from 13 June 2013 and a final single payment on 15 July 2023. R100 million is repayable in equal monthly instalments of capital and interest calculated according to a 144-month amortisation profile as from 15 January 2014 and a final single payment 15 January 2024.	165 285 432	181 048 424	-	-
Standard bank Warehouse: 700 million A R700 million warehouse revolving facility bearing interest at a rate of 3-month JIBAR rate plus a margin of 3.25%, with the 3-month JIBAR rate resetting quarterly. Interest is payable on a monthly basis and capital can be repaid and redrawn on a revolving basis. The facility is renewable every 12-months with the contractual maturity being 17 years after the availability period.	378 512 569	388 292 203	-	-
National Housing Finance Corporation Limited The preference shares are issued to the National Housing Finance Corporation Limited and are at an interest rate of prime less the corporate tax rate, currently 6,3%. Dividend payments have been accrued. The preference shares are redeemable in 2022 and rank after secured loans for repayment.	38 515 745	36 704 797	38 515 745	36 704 797
Futuregrowth Asset Management The loan of R200 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.20%. The facility is fully drawn as funds are required and interest and capital are paid monthly. The loan is repayable in equal installments and is repayable in full by September 2024.	105 418 780	118 584 862	-	-
Ashburton Investments A R65 million promissory note from Ashburton Investments issued at a nominal value of R65 million each, made to property developers is funded by the issue of the notes. Interest is serviced monthly and capital is redeemed on maturity in a bullet payment. The coupon is priced at prime and the final redemption date extended to March 2021.	-	65 492 486	-	-
Mergence Investment Managers The loan of R11 million from Mergence Investment Managers is at an interest rate of prime. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by December 2030.	8 922 216	9 286 695	-	-
Futuregrowth Asset Management The loan of R400 million from Futuregrowth Asset Management is at an interest rate of prime plus 2.4%. Interest is serviced monthly. Capital was paid in 3 tranches of R300 million in March 2020, R50 million in April 2020 and the remainder in March 2021.	-	104 173 715	-	-

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020
25. Financial liabilities (continued)				
Futuregrowth Asset Management The loan of R60 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.25%. The facility is fully drawn and interest and capital are paid monthly on the remainder of the term facility will be fully paid by March 2026.	40 061 361	43 320 902	-	-
Futuregrowth Asset Management The loan of R100 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.40%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by December 2026.	72 774 249	77 863 851	-	-
National Housing Finance Corporation The loan of R200 million from National Housing Finance Corporation Limited is at an interest rate of prime plus 0.25%. Interest and Capital is paid monthly. The facility is fully drawn and interest and capital are repaid over the remaining term. The facility is repayable in full by February 2033.	181 985 138	188 729 819	-	-
Nedbank The loan of R100 million from Nedbank is at an interest rate of prime. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by July 2022.	98 291 954	98 291 954	-	-
Novo Impact Fund The loan of R10 million from Novo Impact Fund is at an interest rate of prime less 0,5%. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by October 2025.	10 051 969	10 072 031	-	-
NHFC Bridging Loan The loan of R60 million from NHFC is at an interest rate of prime plus 2%. The facility is fully drawn. The capital and interest will be repaid in a single payment at the end of the term. Discussions are underway to extend the facility to September 2021. Facility will be repaid in September 2021.	69 278 255	63 219 870	-	-
Taquanta The loan of R100 million from Taquanta bears interest at the 3-month JIBAR rate plus 4,25%, with the 3-month JIBAR rate resetting quarterly. Interest was payable on a quarterly basis and capital was repaid in a single payment at the end of March 2021.	-	100 465 753	-	-
Ashburton The loan of R90 million from Ashburton is at prime rate. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by May 2024.	90 500 548	90 670 068	-	-

	Group		Company	
Figures in Rand	2021	2020	2021	2020
25. Financial liabilities (continued)				
Lionshead (ALCB Fund) The loan of R100 million from Lionshead (ACLB Fund) is at a fixed interest rate of 10,25% for the first 12 months. Step-up interest rate of the fixed rate equivalent of 3M JIBAR plus 3.75% came into effect from October 2020 to March 2021. A further step up of the fixed rate equivalent of 3M JIBAR plus 4.25% applies from April 2021 to September 2021. The facility is fully drawn and interest is payable on a quarterly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by September 2021.	100 130 401	100 285 178	-	-
SEFA A loan of R30 million from a R60 million SEFA facility is priced at prime rate. Interest is payable on a monthly basis. The capital is repaid on a monthly basis with a 6 month moratorium from first draw date. The facility is fully repayable by March 2030.	28 850 754	30 050 342	-	-
National Housing Finance Corporation SOC Limited The loan of R40 million is a shareholder loan granted to TUHF Holdings. The Interest rate is fixed at 18% for the duration of the loan. Interest is paid quarterly and capital will be repaid in a single payment in September 2022.	40 611 507	-	40 611 507	-
Futuregrowth asset manager The loan of R15.2 million is a shareholder loan granted to TUHF Holdings. The interest rate is fixed at 18% for the duration of the loan. Interest is paid quarterly, and capital will be repaid in a single payment in September 2022.	15 420 838	-	15 420 838	-
Nedbank Mortgage loan granted by Nedbank Limited at Prime +0.50%. The facility is repayable March 2025.	1 310 395	-	-	-
Buffet Investment The loan has been granted to Jeppestown Urban Trust. The interest rate is Prime +1%. Interest is capitalised and the repaid with the capital in a single payment in March 2025.	15 000 000	-	-	-
Domestic Medium-Term Note Programme: A second listed and rated domestic medium-term note was raised on 24 January 2020. The term of the notes is 4 years and 9 months. The interest rate is at 3-month JIBAR rate a margin of 2.85%. The capital is repayable on 24 October 2024. The note was fully taken by Sanlam.				
Sanlam Asset Management	283 293 889	285 033 863	-	-

	Group		Company	
Figures in Rand	2021	2020	2021	2020

25. Financial liabilities (continued)

Mortgage-backed securities
A listed mortgage-backed securitisation concluded December 2019. Interest is priced at 3-month JIBAR plus a specified margin for each tranche of notes, with the 3-month JIBAR rate resetting quarterly. The margins range from 2.22% to 10% across the various notes. Interest and capital are payable quarterly in terms of the TUHF Urban Finance (RF) priority of payment until all obligations are fully settled. The structure has a contractual maturity date of May 2039 and open to the first refinance in January 2025.

A Class Noteholders	448 574 984	507 335 041	-	-
B Class Noteholders	52 183 010	59 023 403	-	-
D Class Noteholders	24 321 182	27 510 254	-	-

Mortgage-backed securities
A listed mortgage-backed securitisation concluded in March 2021. Interest is priced at 3-month JIBAR plus a specified margin for each tranche of notes, with the 3-month JIBAR rate resetting quarterly. The margins range from 1.55% to 3.80% across the various notes. Interest and capital are payable quarterly in terms of the Urban Ubomi 1 (RF) priority of payment until all obligations are fully settled. The structure has a contractual maturity date of May 2043 and open to the first refinance in May 2024.

Class A1 Noteholders	202 259 849	-	-	-
Class A2 Noteholders	309 447 017	-	-	-
Class B Noteholders	73 111 006	-	-	-
Class C Noteholders	25 046 029	-	-	-

All the loans/notes issued are secured by cessions of all the rights, titles and/or interests the group holds or which it may acquire in future, arising out of, or in connection with the end-user agreements, which have been financed by the respective funding facilities.

Fair value hedge liability	7 017 022	-	-	-

TUHF Limited has entered into an interest rate swap with Standard Bank, the nominal amount of transaction is R562 412 460. The derivative swaps 3-month JIBAR rate on the nominal amount for prime rate cash flows. This is part of series of interest rate swaps entered into by the group to protect the senior note tranches of Urban Ubomi 1 (RF) against interest rate basis risk. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon step-up date, currently is May 2026.

	3 506 495 198	3 276 067 828	94 548 090	36 704 797
Deferred raising fees**	(12 316 242)	(11 932 427)	-	-
	3 494 178 956	**3 264 135 401**	**94 548 090**	**36 704 797**

**The current portion of the deferred raising fee is R 2 481 235 (2020: R 1 458 796).

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

26. Share based payment reserve

Opening balance	6 997 098	-	-	-
Shares awarded not yet vested	5 518 859	6 997 098	-	-
	12 515 957	**6 997 098**	**-**	**-**

TUHF Conditional Share Plan:

As an incentive for current and prospective employees of TUHF Limited, TUHF Holdings Limited has established a Conditional Share Plan ("CSP") to which 5 234 292 ordinary shares of a par value of R0.0001 each has been allocated.

Conditional awards made are subject to TUHF Limited achieving performance metrics (such as, return on equity, growth in profit after tax, total capital impaired and other non-financial metrics) and are measured between a two to five year performance period. Conditional awards that employees become entitled to as a result of the Remuneration Committee and management's deliberations are vested into their name, equally over a three year period.

Following the vesting of conditional awards, TUHF Limited is required to procure the settlement of the shares to be vested from TUHF Holdings Limited. Such shares are allotted and issued at the market value per share at no cost to the employee. The employee bears the taxation cost when the shares vest based on the current value per share.

In terms of the rules of the CSP, if an employee should leave the employment of TUHF Limited, TUHF Limited has the right of first refusal to purchase those shares registered in the employee's name at the current market value.

TUHF Holdings Limited may withhold any amounts or make such arrangements as are necessary to meet any liability to taxation or any other liabilities and costs in respect of the vesting of a conditional award.

At the end of the period under review, TUHF Limited held 1 997 621 (2020: 1 997 621) treasury shares in TUHF Holdings Limited.

On 1 April 2019 and 23 September 2019, grant letters were awarded to employees for 5 234 292 shares that will vest over the period April 2021 to April 2024 subject to specific service and performance conditions being met. The assessed fair value at grant date of share awards granted during the year ended 31 March 2020 was R6.31 per share. No shares were granted in the year end 31 March 2021. The fair value at grant date is determined using management's best estimates of the following assumptions;

- 78% probability of meeting performance conditions; and
- 5% attrition rate for qualifying employees.

27. Interest income

Interest on advances	367 213 043	462 370 574	-	-
Interest on advances to related company	-	-	17 755 412	20 514 402
Interest on call deposits	3 403 985	6 747 754	7	177
Interest on guarantee deposits	114 209	2 310 487	-	-
Interest on staff loans	9 569	10 574	-	-
Interest received from SARS	280 816	31 743	26 270	-
	371 021 622	**471 471 132**	**17 781 689**	**20 514 579**

Raising fee income of R17 765 361 (2020: R 18 390 459) was recognised in the financial year under review and is included in interest on advances for group.

	Group		Company	
Figures in Rand	2021	2020	2021	2020

28. Interest expenses

Interest on advances from related company	120 871	779 713	3 860 538	6 318 972
Interest on borrowings	235 978 613	294 535 199	-	-
Interest on fees on current account	3 984	11 450	-	-
Interest paid - preference shares	1 810 948	2 525 696	1 810 948	2 525 696
Interest paid to SARS	15 990	36 647	-	-
Interest expense - lease liability	1 524 936	1 029 416	-	-
Interest on shareholders loan	3 159 837	-	3 159 837	-
	242 615 179	**298 918 121**	**8 831 323**	**8 844 668**

Raising fees and legal fees of R3 558 378 (2020: R 2 522 338) were recognised in the financial year under review and are included in interest on borrowings for group.

29. Expected credit losses

Stage 1	(41 741 197)	(17 707 353)	(5 225 145)	-
Stage 2	(5 208 935)	22 707 833	-	17 173 381
Stage 3	35 860 469	38 209 111	-	-
Recoveries in the year	-	(588 182)	-	-
	(11 089 663)	**42 621 409**	**(5 225 145)**	**17 173 381**

30. Other operating income

Rental income	1 273 390	1 363 736	-	-
Management fees	1 749 711	1 374 866	-	-
Sundry income	3 370 365	5 186 129	-	-
Dividends received	285 250	782 892	-	166 556
	6 678 716	**8 707 623**	**-**	**166 556**

31. Other operating gains

Impairment of goodwill	(19 029 422)	-	-	-
Bargain gain on purchase	40 436 239	-	-	-
	21 406 817	**-**	**-**	**-**
Fair value gains (losses)				
Financial assets mandatorily at fair value through profit or loss	394 605	802 888	-	-
Non-hedging derivatives*	(1 399 508)	-	-	-
	(1 004 903)	**802 888**	**-**	**-**
Total other operating gains	**20 401 914**	**802 888**	**-**	**-**

*Fair value of the swaps have been determined using expected cashflows based on the respective 3-month JIBAR and Prime interest rate forward curves, a PD 3.449% and LGD of 75% was used for the CVA and DVA calculations.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

32. Other operating expenses

Auditors remuneration	4 980 078	4 312 288	-	-
Consulting fees	20 105 734	16 590 737	-	-
Depreciation and amortisation	3 163 488	3 078 345	-	-
Depreciation - Leases	3 808 206	3 641 417	-	-
Employee costs	56 236 911	63 091 468	-	-
Financial administration	1 068 838	1 128 453	-	-
Information technology costs	2 711 883	1 830 368	-	-
Marketing	1 471 794	2 430 431	-	-
Office rental	26 727	430 787	-	-
Other expenses	11 120 131	9 268 890	2 171	2 483
Project management	1 684 733	1 822 569	-	-
Telephone and fax charges	1 155 261	1 065 476	-	-
Training and skills development	2 577 398	2 109 172	-	-
Utilities	961 058	1 023 666	-	-
Valuations	1 463 453	480 572	-	-
VAT - input VAT not claimable as it relates to non taxable supplies	7 518 419	6 106 940	138	169
	120 054 112	**118 411 579**	**2 309**	**2 652**

33. Employee benefit expense

Employee costs included in note 32, comprises:

Employee costs				
Employee costs salaried staff	41 087 488	42 571 933	-	-
Directors emoluments	6 011 364	9 816 237	-	-
Non-executive directors	3 619 200	3 706 200	-	-
Share-based payment	5 518 859	6 997 098	-	-
	56 236 911	**63 091 468**	**-**	**-**

TUHF Limited has a defined contribution provident plan governed by the Pension Funds Act, 1956, as amended, to ensure all permanent employees are required to join. Payments to the provident plan are charged as an expense as they fall due.

The group has no obligations for post-retirement health benefits.

The group's expense in respect of defined contribution plans is:

Provident fund	6 289 733	5 510 461	-	-

34. Investment income

Interest income				
Loans to group companies:				
Interest income	2 776 768	4 242 173	-	-
Equity accounting earnings/ (losses)	(1 014 724)	1 735 273	-	-
Total investment income	**1 762 044**	**5 977 446**	**-**	**-**

Notes to the Financial Statements

35. Taxation

Major components of the tax expense

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Current				
Local income tax - current period	9 528 669	5 695 380	3 597 738	2 050 638
Deferred				
Deferred tax asset	-	(2 852 821)	-	(2 885 157)
Deferred tax liability	(844 904)	392 683	877 824	-
	(844 904)	**(2 460 138)**	**877 824**	**(2 885 157)**
	8 683 765	**3 235 242**	**4 475 562**	**(834 519)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Accounting profit	48 284 668	14 267 868	14 173 202	(5 339 566)
Tax at the applicable tax rate of 28% (2020: 28%)	13 519 707	3 995 003	3 968 497	(1 495 078)
Tax effect of adjustments on taxable income				
Exempt dividends	-	(219 210)	-	(46 636)
Non-taxable income	-	(831 977)	-	-
Non-deductible expenses	969 752	178 592	507 065	-
Non-taxable fair value adjustment	(22 098)	(44 962)	-	-
SARS interest and penalties	1 947	10 261	-	-
IFRS accounting policy change	-	(559 835)	-	-
No assessed loss created	(1 715 125)	-	-	-
Assessed loss used	(4 070 418)	-	-	-
Non-deductible on preference shares	-	707 195	-	707 195
Prior year adjustment	-	175	-	-
	8 683 765	**3 235 242**	**4 475 562**	**(834 519)**

36. Commitments

Loans and Advances

As at 31 March, the TUHF Group have total unpaid commitments of R386 million. The commitments are contractual but not irrevocable as several conditions must be met to TUHF’s satisfaction before funds are paid.

Furthermore, it is a condition of the client’s loan that funds must be used within 12 months of the loan start date, and this reduces the commitments to R107 million. Upon a detailed analysis of the projects, the actual commitments reduced to R55 million as some properties will be sold in their current configuration and in other instances amounts originally provided are no longer required.

37. Borrowing capacity

In terms of the company's memorandum of incorporation the borrowing powers of the company are unlimited except where any indebtedness, other than trade debt in the ordinary course of business, is limited to R 20 million. Undertakings have also been given to certain lenders of maintaining a debt to capital ratio of 90%.

	Group		Company	
Figures in Rand	2021	2020	2021	2020

38. Related parties

Holding company	TUHF21 NPC
Subsidiaries	Refer to note 13
Fellow subsidiaries	Intuthuko Equity Fund Proprietary Limited
Shareholders	National Housing Finance Corporation SOC Limited Futuregrowth on behalf of OMLACSA Government Employee Pension Fund (PIC)

Related party balances and transactions

Refer to notes 12 and 23 for details of loan balances with related parties.

Amounts paid to/(received) from major shareholders:

	Group 2021	Group 2020	Company 2021	Company 2020
TUHF21 NPC				
Interest paid	120 871	779 713	120 871	779 713
Management fees	(257 298)	(203 846)	(257 298)	(203 846)
	(136 427)	**575 867**	**(136 427)**	**575 867**
National Housing Finance Corporation SOC Limited				
Interest paid	30 399 447	39 740 710	-	-
Futuregrowth				
Interest paid	44 836 955	108 545 927	-	-
PIC				
Interest paid	9 988 685	16 470 908	-	-
TUHF Limited (Company)				
Interest paid	-	-	3 860 538	6 318 972
Interest received	-	-	(10 937 917)	(16 083 980)
	-	**-**	**(7 077 379)**	**(9 765 008)**
TUHF Bridge Proprietary Limited (Group)				
Interest paid	-	-	204 264	371 280
TUHF Equity Proprietary Limited (Company)				
Interest received	-	-	(3 657 658)	(4 430 422)
Better Urban Living 2 Proprietary Limited				
Interest received	-	(2 388 916)	(7 003 039)	(2 388 916)

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

38. Related parties (continued)

Jeppestown Urban Trust				
Interest received	-	-	(8 392 056)	-
SilverKey Proprietary Limited				
Interest received	-	(1 297 558)	(5 358 863)	(1 297 558)
Risk Prop Proprietary Limited (Joint Venture)				
Interest received	(256 199)	(291 624)	(256 199)	(291 624)
Pearl Properties Investment Proprietary Limited (Joint Venture)				
Interest received	(318 508)	(264 075)	-	-

Key management compensation:

All members of the board are considered key management. Refer to note 39 for details of fees paid to directors.

The following shareholders in TUHF Holdings which is the holding company of TUHF Limited has provided the wholesale loan facility as stated below to TUHF Limted amounting to R2 013,5 million (2020: R2 265,3 million).

NHFC				
Total NHFC debt facilities: capital advanced	703 594 757	703 594 757	703 594 757	703 594 757
Interest paid	30 399 447	39 740 710	30 399 447	39 740 710
Interest and capital repayments	44 297 848	63 212 064	44 297 848	63 212 064
Futuregrowth				
Total facilities	1 010 000 000	1 261 717 699	1 010 000 000	1 261 717 699
Interest paid	44 836 955	108 545 927	44 836 955	108 545 927
Interest and capital repayments	210 549 909	591 586 475	210 549 909	591 586 475
PIC				
Total facilities	299 980 457	299 980 457	299 980 457	299 980 457
Interest paid	9 988 685	16 470 908	9 988 685	16 470 908
Interest and capital repayments	21 887 673	35 521 901	21 887 673	35 521 901

39. Directors' emoluments

Group

Executive

2021

	Cash component	Bonus	Provident fund	Other	Total
PGN Jackson	2 939 931	-	558 039	222 347	3 720 317
IL Roodt	1 875 996	-	332 381	82 670	2 291 047
	4 815 927	**-**	**890 420**	**305 017**	**6 011 364**

2020

	Cash component	Bonus	Provident fund	Other	Total
PGN Jackson	2 908 858	2 600 000	539 744	535 699	6 584 301
IL Roodt	1 869 243	900 000	322 961	139 732	3 231 936
	4 778 101	**3 500 000**	**862 705**	**675 431**	**9 816 237**

Non-executive

2021

	Directors' fees	Total
SS Moraba	432 000	432 000
TM Adler	461 400	461 400
C Coovadia	616 400	616 400
RR Emslie	563 400	563 400
JF Howard	286 000	286 000
JK Mamatela	356 000	356 000
JS Strelitz	378 000	378 000
L Vutula	299 000	299 000
B Mopangwana	227 000	227 000
	3 619 200	**3 619 200**

2020

	Directors' fees	Total
SS Moraba	431 250	431 250
TM Adler	512 650	512 650
C Coovadia	726 650	726 650
RR Emslie	668 050	668 050
JF Howard	288 250	288 250
JK Mamatela	281 250	281 250
JS Strelitz	325 250	325 250
L Vutula	265 650	265 650
R Solomon	83 700	83 700
B Mapongwana	48 500	48 500
PIC	75 000	75 000
	3 706 200	**3 706 200**

Notes to the Financial Statements

40. Going concern

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

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

41. Events after the reporting period

Subsequent to year end the directors of Silverkey Proprietary Limited entered into a sale agreement with City of Johannesburg Metropolitan Municipality for the sale of part of its property portfolio. The buildings being sold are known as Catham house and Karl House.